

**BOARD OF EQUALIZATION,
WASHOE COUNTY, NEVADA**

Wednesday

9:00 A. M

February 9, 2000

PRESENT:

James O'Brien, Member, Chairman
Marcia McCormick, Member, Vice Chairman
Ron Fox, Member
David Nadel, Member
Jon Obester, Member

Amy Harvey, County Clerk
Betty Jo Vonderheide, Chief Deputy County Clerk
John Rhodes, Deputy District Attorney
John Faulkner, Senior Appraiser
Steve Churchfield, Senior Appraiser

The Board convened in the Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following calling of the roll by the County Clerk, the meeting was called to order by Chairman O'Brien.

9:00 A.M. BLOCK

MINUTES

On motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the Minutes of the meeting held on December 15, 1999, be approved.

00-01E TAX ROLL CHANGES – DECREASES

Following discussion, on motion by Member McCormick, seconded by Member Obester, which motion duly carried, it was ordered that Tax Roll Change Requests Nos. 1 through 28 and 85 resulting in decreases to the 2000 secured roll, except for No. 26 which affected the 1999 supplemental roll, be approved for the reasons stated thereon.

002E TAX ROLL CHANGES – INCREASES

Following discussion, on motion by Member McCormick, seconded by Member Fox, which motion duly carried, Chairman O'Brien ordered that, pursuant to NRS 361.345(2), the County Clerk issue Notices of tax roll increases to affected property owners setting February 28, 2000, at 10:30 a.m. as the date and time for the Board to act on Tax Roll Change Request Nos. 26 through 85, except for No. 35, which was pulled. It was noted that the Requests were delivered to the Clerk noting the increased taxable values, and this information shall be enclosed with the notices when mailed.

003E PETITIONS FILED LATE – DISCUSSION AND ACTION

Steve Churchfield, Senior Appraiser, advised that there were several petitions that were received after the deadline date of January 15, 2000. He noted that legal counsel for the Board had determined, during the organization meeting, that petitions would have to be postmarked January 15 to be accepted, as even though this date fell on a Saturday, the post office was open; that Monday, January 17, was a holiday in honor of Martin Luther King, Jr.; and that walk-in filings were to be accepted on January 18, 2000. Board members had adopted this policy.

Following discussion, Member Obester moved that those applications postmarked after January 15th not be accepted in accordance with legal counsel recommendation. The motion died for lack of a second.

On motion by Member Fox, seconded by Chairman O'Brien, which motion duly carried with Member McCormick voting "no," it was ordered that the petition received on January 18, 2000, via UPS delivery, be accepted and set for hearing.

On motion by Member McCormick, seconded by Member Obester, which motion duly carried with Member Fox voting "no," it was ordered that the petition postmarked on January 18, 2000, and delivered on the 19th not be accepted. It was noted that no one was present representing these petitioners.

Three additional petitions which were postmarked on January 18, 2000 and received in the Assessor's office on January 20th, were next discussed. Following Mr. Churchfield informing the Board that these were all received in the same envelope, Chairman O'Brien asked for anyone present concerning these.

Sean Kelley, DePasquale, Kelley & Company, authorized agent for ARV Nevada Assisted Living, Inc., and Western Properties Trust, formerly Western Investment Real Estate Trust in the County of Washoe, presented a written declaration supporting the acceptance of these petitions. He further advised that there have been petitions filed and accepted in the counties of Elko, Churchill, and Clark postmarked January 18, 1999 as timely filed. He added that it was told to him in telephone calls by those county representatives that the postmark of January 18 would be acceptable. He also stated that someone in the Washoe County Assessor's office had also advised him that the January 18 postmark was the deadline.

John Faulkner, Chief Appraiser, said that he advised his staff of the deadline determination by Legal Counsel via memo and that is what they were instructed to inform people of in inquiries received and otherwise.

Following deliberation and discussion, on motion by Member Fox, seconded by Member Nadel, which motion duly carried with Member McCormick, and Member Obester voting "no," it was ordered that the three petitions postmarked on January 18, 2000, be scheduled for hearing as it is determined they are timely postmarked.

Following some additional discussion, Member McCormick moved, seconded by Member Nadel, which motion duly carried with Member Obester voting "no," that the previous petition which was not accepted as it was postmarked January 18 and received on the 19th be reconsidered. On motion by Member Fox, seconded by Member Nadel, which motion duly carried with Members McCormick and Obester voting "no," it was ordered that this one also be accepted as postmarked in a timely manner.

Those petitions to be scheduled for hearing are as follows:

Parcel Number	Petitioner
042-011-28	Lakeridge Golf Course Ltd
148-010-22	Montreux Golf Club
035-160-02	Paul J. and Lori Callas
013-051-19 & -22	Nevada Commercial Investors LLC
005-180-77	Oakmont Retirement Investors
041-243-09 thru 11	Western Investment Real Estate Trust
088-201-20, 22 thru 25, & 31	Western Investment Real Estate Trust

00-04E HEARING NO. 7 – WALTER & DORIS HARDY, ET AL. – PARCEL NO. 008-030-08

A petition for review of taxable valuation of land of \$683,215 and building of \$2,240,055 on property located at 701 East 7th Street, being the Days Inn, at Reno, Washoe County, Nevada, was presented by Walter & Doris Hardy, et al., and set for consideration at this time.

Stacy Ettinger, appraiser, duly sworn, described the property and located it for the Board using the maps in Exhibit I. He presented photographs, Exhibit II, to allow Board members to view the property in its present shape. Also included in Exhibit I were fact sheets with a recommendation to uphold the taxable valuation.

Duane Jakob, General Manager of Days Inn, representing petitioner, was sworn and testified that he is the general manager of Days Inn under the Hardys, the new owners due to foreclosure. He stated that he had some discussion with Mr. Ettinger who believes that, because this is a brick structure, it has a higher value, a Class 2.0. He added that others have been designated a lesser class and are valued less, e.g., the McCarran House is a 1.5 because it is not a brick building. He then reviewed his exhibits as follows: A—Cover letter and comparables and occupancy recap over three years, B—County Appraisal Record. He cited comparables Motel 6, Econolodge, and Skate Country, noting their lesser value. He then disputed the land value advising that, in the reappraisal, it increased 8% while Motel 6 decreased and Econolodge increased only 5%.

He then addressed occupancy over the last three years as addressed in his exhibit. He advised that this has decreased over the last few years and that there should be some allowance for this. In response to Member Fox, he advised that he does not know how much the foreclosure price was; to Member McCormick, that the last remodel was done in approximately 1996; and to Member Obester, that the new area was converted from a check express, which closed in 1998, and made into a meeting room.

Mr. Ettinger stated that, in the valuation process, it was found that the \$950,000 gross income had stabilized. He then explained how he arrived at the cap rate of 11 percent and the taxable valuation. He next reviewed comparable sales, being the Western 6, the Downtowner, El Rancho Motel, Castaway Motel, and Lakemill Lodge as contained in his Exhibit I. He said that the photos indicate that the building is in good shape. He then further addressed his income approach and detailed his approach thereto.

In disputing Mr. Jakob's comparable sales, Mr. Ettinger advised that McCarran House is asking for a higher room rate, it is a longer building, and it is a lower class than subject which has better amenities. He also stated that King's Skate Country is a tilt-up building and is not comparable. He advised that he is very comfortable with the land valuation and that the land valuation has to be based on its present use. In response to Member Fox, he advised that the market for

motels is starting to stabilize, and further that the increase in subject is due to the reappraisal.

Mr. Jakob disputed the description of the properties by Mr. Ettinger. He then placed emphasis on the low quality of his property as opposed to others. When asked about his opinion of market value, since it was not indicated on the petition, he stated that a total of \$2,200,000 might be acceptable.

The Chairman closed the hearing.

In discussion, Member Obester asked about operating income which Chairman O'Brien clarified. Member Fox stated that the most reliable measure of motels is the income approach and he feels it has substantiated the value. Chairman O'Brien stated that he feels the value is supported. Member McCormick stated that she questions the comparables used by both the Appraiser and petitioner, and she is concerned that there is much maintenance yet to take place.

Following discussion, on motion by Member Fox, seconded by Member Obester, which motion duly carried with Members McCormick and Nadel voting "no," it was ordered that the taxable valuation on both land and building be upheld, as evidence presented by the Assessor supports the taxable valuation to be within fair market value. The finding was then made that the land and improvements are valued correctly and not exceeding fair market value.

**00-05E HEARING NO. 14 – JOHN G. AND BARBARA M. KOWALSKI –
PARCEL NO. 011-081-24**

A petition for review of taxable valuation for building valuation of \$460,334 and for land of \$223,300, totaling \$683,634 [owner opinion - \$565,000] submitted by John F. and Barbara M. Kowalski. The property, located at 85 Keystone Avenue, Reno, Washoe County, Nevada, was set for consideration at this time.

Keith Stege, appraiser, duly sworn, advised that this is a two-story office building. He then reviewed Exhibit I containing Fact Sheet, Income and Expense Statement, and maps.

John Kowalski, petitioner, was sworn and presented his testimony and reviewed his Expense and Income Statement. It was pointed out to him that the Assessor is recommending a reduction of building value to reach his opinion of value, based mainly on the income analysis.

Following some discussion, on motion by Member Fox, seconded by Member Obester, it was ordered that the taxable valuation of land be maintained at \$223,300. It was further ordered that the taxable valuation of building be reduced to \$341,700 as recommended by the Assessor because of the poor functionality of the building as designed effecting the income. The finding was made that the building and improvements are now valued correctly not exceeding fair market value.

00-06E HEARING NO. 23 – STEWART AND KIM COLTON, DBA McKENZIE PROPERTIES – PARCEL NO. 11-176-09

A petition for review of taxable valuation of building of \$4,220,649 [owner opinion - \$3,153,368] submitted by the above property owners, being a five-story office building located at 245 East Liberty Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, appraiser, duly sworn, submitted Exhibit I—Fact Sheet, Maps, Income & Expense Statement and Office Survey, located the property on the Map exhibits and advised that he is recommending a reduction based on the income approach to value. He advised that he reviewed petitioners exhibits to reach this recommendation.

Kevin Sigstad, property manager representing petitioner, was sworn and stated that there have been communications between Mr. Stafford and Mr. Theisen, of his company, and agreement was reached to value the property at \$3,600,000 for the total of land and building in an effort to compromise.

Mr. Stafford explained how he came up with this value. A question and answer session ensued.

Following discussion, on motion by Member Fox, seconded by Member McCormick, which motion duly carried, it was ordered that the taxable valuation of improvements be reduced to \$3,253,368 based on obsolescence as recommended by the Assessor and accepted by petitioner's representative. The finding was made that the land and building are found to be correctly valued within full cash value.

00-07E HEARING NO. 54 – HAZEL E. CANNON – PARCEL NO. 011-014-15

A petition for review of taxable valuation of the total of land and building at \$937,657 [owner opinion - \$725,000] received from the above petitioner, located at 888 West Second Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Keith Stege, appraiser, duly sworn, advised that this is a two-story office building and presented Exhibit I—which included a comparable office rental chart. He located the property for the Board on the maps. He advised that he is recommending a reduction to the owner's opinion of value and they are in agreement.

Mark Hollenbeck, representing petitioner, was sworn and confirmed the agreement of value. A question and answer session then ensued. Board members asked for clarification of the reduction and how it was achieved. This was given by Mr. Stege in detail.

On motion by Member McCormick, seconded by Member Fox, which motion duly carried, it was ordered that the taxable valuation of land remain at \$185,250, the taxable valuation of buildings be reduced to \$539,750, totaling \$725,000. It was noted that this is based on the income and sales analysis and the agreement reached between the owner and the Assessor. The Board then made the finding that the land and improvements are now valued correctly within fair market value.

10:30 A.M. BLOCK

00-08E HEARING NO. 15 – CLUB CAL-NEVA [SIERRA DEVELOPMENT COMPANY] – PARCEL NO. 011-062-20

A petition for review of taxable valuation of land at \$862,860 [owner opinion - \$934,765] and building of \$6,805,317 [owner opinion - \$2,774,274] submitted by the above-named owner, located at One East First Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, appraiser, duly sworn, advised that this is a high rise professional building, formerly the First Interstate Bank Building. He presented Exhibit I—Fact Sheets, Maps, Income Approach, and Construction Costs. He further advised that he is recommending a reduction, the representative of the owner is here, and they accept the recommended value. It was noted that his process is fully explained on page 2 of 13 in Exhibit I.

John Richards, representing the property owner, confirmed this.

A discussion ensued concerning the methodology used by the appraiser in recommending the reduction. Mr. Stafford reviewed his exhibits. Some comment were made concerning the Reno Chamber of Commerce being occupants on the 16th floor as well as the other tenants as indicated on Exhibit A, the page marked the Rent Roll as of December 1999.

Following discussion, on motion by Member McCormick, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value of land remain at \$862,860 as it is found to be within full cash value. It was further ordered that the taxable value of the building be reduced to \$3,637,140 as recommended by the Assessor due to obsolescence. The Board made the finding that the land and improvements are now valued correctly within fair market value.

00-09E HEARING NO. 5A AND 5B – THE J. B. COMPANY, LLC.- - PARCEL NO. 037-272-39

Two petitions, one for the 2,000 Secured Roll and one for the 1999 reopened roll, for review of taxable valuation for land of \$203,320 and for building valuation of \$1,773,763 [owner opinion - \$279,525 (land) \$1,385.423 (bldg.)] submitted by James E. Nelson, J.B. Company, LLC, was set for consideration at this time. It was noted that this is a newly constructed office building located at 780 Vista Boulevard, Sparks, Washoe County, Nevada.

Laurie Alian, appraiser, duly sworn, submitted Exhibit I—Fact Sheet, Maps, Land Sales, and advised that after conducting an interior inspection of the property, she has reduced the quality class from 3.5 to 3.0. She further noted also that the subject's income and actual costs in constructing the building warrants a reduction.

James Nelson, Palo Alto California, representing the Company, was present and accepted the reduced valuation for both tax years.

During a brief question and answer session, Mr. Nelson advised that AGRA Earth, an environmental consulting firm for the mining industry, was presently a tenant in the building.

Following discussion, on motion by Member Fox, seconded by Member McCormick, which motion duly carried, it was ordered that the taxable value on building for both the 1999 reopened roll and the 2000 secured roll, Hearings 5A and 5B, be reduced as recommended by the Assessor following an interior inspection to bring the taxable valuation within fair market value. The taxable value is set as follows: Land Value remain at \$203,320, Building value be reduced to \$1,439,679, for a total of \$1,642,899. The Board then made the finding that the land and improvements for both years are valued correctly within fair market value.

00-10E HEARING NO. 75 – FIRST METHODIST CHURCH OF RENO – PARCEL NO. 011-041-06

A petition for review of taxable valuation of land of \$360,000 [owner opinion - \$280,000], and building of \$602,988 [owner opinion - \$205,000] was submitted by the above , and set for consideration at this time. The property is a church located at 201 West First Street, Reno, Washoe County, Nevada.

Mark Stafford, appraiser, duly sworn, submitted Exhibit I—Fact Sheet, Maps, Income & Expense Statement, and Exhibit II—revised Fact Sheet and Summary Report. He advised that he had visited the property, toured the interior, and noticed discrepancies between the appraisal record and what is in place; therefore he is recommending a reduction of building value to \$477,339.

Dean Zerbe, Esq., Lionel Sawyer & Collins, representing petitioner, did not agree to the reduced value and reviewed his Memorandum in Support of Petition for Review—Exhibit A. He noted that although the Church is exempt from property taxes, it is subject to special assessments for the flood project, the train trench, and police. He referred to his comparable sale, being the First Church of Christ Scientist Church, which is now the Lear theatre. He cited the differences as contained in Exhibit A (p.4.).

Mr. Stafford reviewed his land sales and advised that there is no regulation stating that you should not consider use in the valuation of property. He advised that if you consider land values generally, considering that this is on the casino corridor, the \$25 per square foot is on the lower end of the value in the downtown area. He indicated that this is a nice attractive property as is Sale 1, the Christian Science Church, now the Lear Theatre. He then explained the discrepancies that he found in subject church and advised that the biggest impact was the heating and air conditioning. He stated that replacement cost is a cost of reproducing an identical building, so quality is important. He then detailed the steps taken in his valuation and the arrival of a 3.0 quality class.

Member Fox asked about the valuation of other churches. Mr. Zerbe stated that there are other churches but they are the only one subject to the assessments. He then reiterated the land issue and the differences in the different properties noting that the Christian Science Church is in a better place and has better parking. He said that the First Methodist Church needs to be there for those in the downtown area. More discussion ensued on the land. It was noted that the Lear Theatre is valued at \$15 per square foot and is only one or two blocks away.

Mr. Stafford advised that the difference is that the Lear Theater is away from the downtown area and is a bigger parcel; therefore the square-footage price is less.

In the discussion, Mr. Fox stated that he wants the land to be lowered to \$15 per square foot as he does not understand why this Church should be valued higher than one that is just one block away and not in an inferior location.

Member McCormick cited the importance of having this Church in the downtown area to serve those in need. Mr. Nadel stated that the Church needs a compelling land value which he believes should be \$15 per square foot.

Following discussion, on motion by Member Fox, seconded by Member McCormick, which motion duly carried with Member Obester voting "no," it was ordered that the taxable valuation of building be reduced to \$477,339 as recommended by the Assessor to allow for inaccuracies in the Assessor's appraisal record. It was further ordered that the taxable value of land be reduced to \$15 per square foot equaling \$216,000, on the basis of the nearest comparable. The Board made the finding that the land and improvements are now valued correctly within fair market value.

1:00 p.m. The Board recessed for lunch.

1:30 p.m. The meeting reconvened with all Board members present, except for Member Obester who arrived at 1:45 p.m.

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1:30 P.M. – BLOCK 3

00-11E HEARING NO. 35 – FUN DINERS, INC. PARCEL NO. 025-300-37

A petition for Review of Assessed Valuation received from Fun Diners, Inc., protesting taxable valuation on land and improvements, zoned PUD, and designated General Commercial, located at 6350 South Virginia Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Bob Bravetti, President of Fun Diners, Inc., Petitioner, was sworn, submitted Correspondence, Exhibit A; Monthly Gross Sales listing, Exhibit B; and an Appraisal, Exhibit C; and testified that when he first opened this restaurant in 1993, their weekly sales were between \$40,000 and \$44,000; that since that time 18 new restaurants have opened within a mile of this location, many of which are big-name, national chain restaurants; and that because of that, his weekly sales last year dropped to \$8,000-\$9,000. He stated that another adverse factor that has negatively impacted his business is that a median was put in on Neil Road, which makes it difficult for patrons to get to his restaurant. Mr. Bravetti testified that the building itself is actually a triple-wide mobile or modular structure and that the lot is quite small, therefore, his options for changing the business are very limited. He stated that he is currently losing \$4,000 to \$6,000 per month; that he has been in the restaurant business for over 20 years and has tried everything he knows to turn this around; and that he believes it would also be very hard to sell this property. The Petitioner then responded to questions from Board members advising that the appraisal was done in 1993 by the SBA because he obtained an SBA loan for a the business and that he could not convert this property to fast-food because the size of the lot would not allow for drive-thru facilities.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Comparable Sales, Exhibit I; Assessor's Income Approach to Value, Exhibit II; and Maps, Exhibit III, and oriented the Board as to the location of subject property being at the northeast corner of South Virginia and Neil Road. Appraiser Stafford reviewed his sales of comparable properties, including comparable land sales, and his methodology for determining value based on income. He stated that the appropriate method of valuing subject would be rental income from the property based upon comparable rentals in the area and reviewed his recommendation indicating that the total taxable value should be \$650,000. Appraiser Stafford stated that he did not consider the appraisal because it is 7 years old and because the area in which subject is located has changed dramatically since that

time and has experienced tremendous growth in retail; that other properties in the area are doing quite well; and that perhaps it is time for a new product at this location, a competitive change.

Board members then asked several questions. Member Fox asked if the Appraiser had given any consideration to the difficult access because of the island being installed on Neil Road. Appraiser Stafford stated that he did not because subject does have access both off of Neil Road and South Virginia Street and many of the other restaurants that he used for comparables also have ingress/egress problems.

The Petitioner stated that he did not have anything to add in rebuttal.

The Chairman closed the hearing.

Board deliberations included discussions concerning difficult access to subject, the building being a modular-type with limited possibilities, and the appropriateness of this particular restaurant on subject parcel.

Based on the FINDINGS that obsolescence should be applied to subject's improvements because of its size and limitations of the structure, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the taxable value of the improvements on Parcel No. 025-300-37 be reduced to \$60,917 and that the taxable value of the land remain at \$439,083, for a total taxable value of \$500,000. The Board also made the finding that the new value is the correct value and that taxable value does not exceed fair market value.

00-12E HEARING NO. 27 – THELMA M. JAKSICK, ET AL PARCEL NO. 042-011-03

A petition for Review of Assessed Valuation received from Thelma M. Jaksick, et al, protesting taxable valuation on land zoned SFR-15, and designated Vacant-SN, located at the end of Ridgeview Drive, Reno, Washoe County, Nevada, was set for consideration at this time.

Ron Sauer, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 8, and oriented the Board as to the location of subject property, a 67-acre undeveloped parcel in southwest Reno, and displayed a large map of the area. Appraiser Sauer also submitted 4 pictures of subject property, which were marked as Exhibit II.

Stan Jaksick, Petitioner, was sworn and testified that they sold an adjoining 23-acre parcel last year for what amounts to a little over \$22,000 per acre, which is actually the Assessor's comparable Sale No. 1; that that smaller parcel is much superior to subject in topography; and that probably 90 percent of that smaller parcel is buildable, whereas on the subject parcel, only about 60 percent of it is buildable because of the slopes. Mr. Jaksick stated that the Assessor's Sale No.

1 has had an approved plan on it for years, therefore, he does not believe that is a comparable property and that the costs to develop on the two parcels are not comparable. He then answered questions of Board members stating that neither parcel had water rights.

Appraiser Sauer stated that topography on subject varies from very steep to gently sloping; that all utilities are stubbed to the corner of the property; that access is from Ridgeview Drive which ends at the southeast corner of subject; and that views from subject are considered to be very good, and depending on how it is developed, the views could be tremendous. He then reviewed his Sale No. 1, which is basically the 23 acres sold by Petitioner, and explained how he arrived at the per acre figure after adding in the other three acres the developer purchased for access and the cost of off-site improvements. Appraiser Sauer stated that the best type of development for subject would be large lots and custom homes, possibly all on one large cul-de-sac. He then reviewed his Sale No. 2 and stated that he has just learned that this property did have a tentative map when it sold; that when you adjust for that, the per acre sale price would still be at \$29,598; and that he believes these two sales substantiate that the Assessor's taxable value of subject is within market range.

Petitioner Jaksick stated if they were to develop subject parcel, they would have to come off McCarran as the main entry, which means they would have additional costs for accel/deceleration lanes; that both of the Assessor's comparable sales have tentative subdivision maps whereas subject property is just raw land; and that the value should not go up until someone does start developing it. Mr. Jaksick responded to specific questions from Board members and stated that he believes the correct value is approximately \$20,000 per acre.

The Chairman closed the hearing.

Board deliberations included a discussion of whether or not the Assessor's Comparable Sales should include development costs. Member Fox stated that if you take development costs out of Sale No. 1, that equates to \$32,000 per acre, the same as Sale No. 2; and that he feels subject should be in the \$30,000 to \$32,000 per acre range, rather than at \$35,000 per acre. Members McCormick and Nadel disagreed.

Based on the FINDINGS that subject property does exceed fair market value as evidenced by the Assessor's comparable sales and information presented by the Petitioner, on motion by Member Fox, seconded by Member O'Brien, which motion duly carried with Members McCormick and Nadel voting "no," it was ordered that the taxable value of land on Parcel No. 042-011-03 be reduced to \$2,096,840, which reflects a per acre value of \$31,000. The Board also made the finding that the new value is the correct value and that the taxable value does not exceed fair market value.

00-13E HEARING NO. 22 – NATALIE GREEN - PARCEL NO. 039-471-08

A petition for Review of Assessed Valuation received from Natalie Green protesting taxable valuation on land and improvements, zoned SFR-6, and designated single-family residence, located at 5922 Royal Vista Way, Reno, Washoe County, Nevada, was set for consideration at this time.

Coleen Welch, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 7, and oriented the Board as to the location of subject property. Appraiser Welch also stated that she does have a recommended reduction on the land value of subject.

Natalie Green, Petitioner, was sworn. Chairman O'Brien asked her if she was aware that the Assessor is recommending a reduction. Mrs. Green stated that she is aware of the recommended reduction on the land, but she believes the land should be even lower and the house should also be less. She presented the Appraisal Records of Neighboring Properties, Exhibit A, and testified that she has compared the appraisal records of 7 neighboring properties and has learned that lots much larger than hers are the same as hers at \$41,000, and that some of the other homes that are larger, or have big, wooden decks, which she does not have, are appraised less than her home.

Appraiser Welch stated that the larger lots in this subdivision are valued at \$41,000 and the lots smaller than 0.12 acres should be valued at \$38,000 and that is the reduction the Assessor is recommending. In response to the Chairman, she stated that the improvements have been valued according to Marshall-Swift with appropriate depreciation being applied. Appraiser Welch then reviewed comparable sales, which were all in the same subdivision and were the same model as subject, substantiating that the recommended value does not exceed fair market value.

Member Fox asked for additional information regarding Sales 2 and 4, which had to be retrieved from the Assessor's Office, and the Petitioner agreed to postpone the remainder of this hearing.

Later in the meeting, Appraiser Welch reviewed the Assessor's taxable values of the land and improvements of her Sales 2 and 4 stating that the homes are the exact same models and the improvement values are identical except that Sale 4 is one year older than subject property and reflects an additional 1.5% depreciation. In response to Board questions, she stated that the land values on these other properties will also be changed from \$41,000 to \$38,000 next year, just as she is recommending for subject.

In rebuttal, Ms. Green stated that the first house on her is the same as hers except that it has a big, beautiful wooden deck and a big beautiful yard; that the lot is twice as big as hers; and that the land value is the same on both. She

further stated that her house is appraised at \$80,434, and the other house, with the deck, is \$76,016.

The Chairman closed the hearing.

Based on the FINDINGS that an appraisal error has occurred and that the Assessor is recommending a reduction in the land value, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of the land on Parcel No. 039-471-08 be reduced to \$38,000, that the taxable value of the improvements remain the same, for a total taxable of \$118,434. The Board found that the taxable value is the correct value and that it does not exceed fair market value.

00-14E HEARING NO. 65 – ALFRED J. VANDENBERG, TRUST PARCEL NO. 044-092-05

A petition for Review of Assessed Valuation received from Alfred J. Vandenberg, Trust, protesting taxable valuation on land and improvements, zoned E-1, and designated single-family residence, located at 11010 Broken Hill Road, Reno, Washoe County, Nevada, was set for consideration at this time.

Coleen Welch, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 10, and oriented the Board as to the location of subject property.

Alfred Vandenberg, Petitioner, was sworn, submitted Correspondence listing reasons why the value should be lowered, Exhibit A; and a photocopy of a picture of the "For Sale" sign he displayed on his property, Exhibit B; and testified that his property is not saleable because of the impact of the airport noise which severely affects his environment and quality of life. Mr. Vandenberg displayed the "For Sale" sign he had placed on his property which disclosed that the property suffers from "severe airport noise impact" and discussed at length the Airport Authority's plans for expanding cargo operations and becoming a USPS hub facility over the protests of the citizens who are affected by all the noise. He also stated that the homeowners association made him take his sign down because it was affecting their real estate broker's sales; that real estate agents are supposed to disclose such adverse conditions; and that he does not believe the agents are telling buyers about the airport noise and are even scheduling show appointments around flight schedules. Mr. Vandenberg responded to Board members' questions stating that he received no offers on the property while his sign was up; that it would take \$40,000 to soundproof his home from the airport noise, but he would still not be able to enjoy life in his yard; that the Airport Authority is putting more insulation, roofing and triple pane glass in houses closer to the airport; and that this airport noise is adversely affecting property values.

Appraiser Welch reviewed sales of comparable properties substantiating that the taxable value does not exceed fair market value. She further stated that these

sales did not take an extraordinary length of time to sell and, in response to Member Fox, cited the number of days each property was listed before it sold. In response to Chairman O'Brien she stated that the airport noise is considered to be a problem in general.

In rebuttal, Petitioner Vandenberg stated that the house directly behind him has been for sale for 4 months and that he knows of quite a few properties that were up for sale and then withdrawn because they could not find buyers; that he wonders if the brokers are telling people about the severe noise impact; and that the noise is severe when you can not have a telephone conversation outside on the patio or even inside the house and you cannot watch television.

The Chairman closed the hearing.

Chairman O'Brien stated that while he sympathizes with the Petitioner because of the airport noise, it appears to him that people are still buying the properties and until the market shows a drop or agents start getting sued for not disclosing this information, he can not justify lowering the values. Member McCormick stated that the Petitioner is right about the impacts of the airport noise; that she supports him in his complaints about the Airport Authority; that she believes it might be starting to have an impact on sales; but that that has not been fully demonstrated yet.

Based on the FINDINGS that taxable value does not exceed fair market value as evidenced by the Assessor's comparable sales data, on motion by Member Nadel, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of land and improvements on Parcel No. 044-092-05 be upheld. The Board also made the finding that the land and improvements are valued correctly.

00-15E HEARING NO. 59 – G. DEAN BINGHAM PARCEL NO. 082-453-04

A petition for Review of Assessed Valuation received from G. Dean Bingham protesting taxable valuation on land, zoned A-1/TR-MDR, and designated vacant, located on Clifford Drive in Panther Valley, Washoe County, Nevada, was set for consideration at this time.

Josh Wilson, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 5, oriented the Board as to the location of subject property, and stated that it is his recommendation that the value be reduced to \$30,000 based on a review of comparable sales; that the parcel is not land-locked as there is an access easement; and that he has discussed the recommendation with the Petitioner, who was not present; and that the Petitioner is in agreement with the recommendation.

The Chairman closed the hearing.

Based on the FINDINGS that the taxable value does exceed fair market value as evidenced by the Assessor's comparable sales, on motion by Member McCormick, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 082-453-04 be reduced to \$30,000. The Board found that the new land value is the correct taxable value.

**00-16E HEARING NO. 70 – WILLIAM N. SEIDLER & LYNN P. CAVERLY -
PARCEL NO. 125-441-03**

A petition for Review of Assessed Valuation received from William N. Seidler and Lynn P. Caverly protesting taxable valuation on land and improvements, zoned HDS, and designated single family residence, located at 1011 Apollo Way, Incline Village, Washoe County, Nevada, was set for consideration at this time.

Theresa Wilkins, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 7, and oriented the Board as to the location of subject property.

William Seidler, Petitioner, was sworn, submitted Photos, Exhibit A; and 2 Letters from Realtors; and testified that the property owner across the street from him has constructed a concrete retaining wall with a 6-foot high wooden fence on top of it without obtaining the proper permits; that at the highest point, the wall is 23 feet; and that this wall seriously detracts from his property. The Petitioner explained in detail the permits that should have been obtained and stated that the Citizens Advisory Board is very disturbed because they had no input concerning this wall; that stop work orders were issued, but were violated; and that a citation has been issued by the Washoe County Building Department. Petitioner Seidler stated that the assessed value of his property should be reduced because real estate agents have told him that any prospective buyers of his property would want a reduction in price when they see that wall.

Noting that the Petitioner's opinion of value is listed at \$600,000 and that the Assessor's total taxable value is \$392,514, Member McCormick asked the Petitioner how much of a reduction he had in mind. Mr. Seidler stated that he believed his home would sell for \$600,000 if the wall was not there and that he thinks a \$50,000 reduction from the Assessor's total taxable value is justified.

Appraiser Wilkins reviewed her sales of comparable properties. She further stated that there is a court case pending because of the wall, but there is no resolution to date; and that while she does believe the retaining wall may have some affect on the value of subject, the Assessor's current total taxable value is well below the market value. Appraiser Wilkins then responded to Board members' questions stating that the wall does not affect the view of the lake from subject.

Petitioner Seidler stated that this wall is right out his front door; that it is not a nice thing to have to look at; and that he feels the County is partly contributory

because of their oversight. He also contested the Assessor's comparable sales and stated that there are no comparable properties with such a wall.

The Chairman closed the hearing.

Based on the FINDINGS that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Obester, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value of land and improvements on Parcel No. 125-441-03 be upheld.

3:00 P.M. – BLOCK 4

00-17E HEARING NO. 31 – RONALD L. & JERI I. BURDG PARCEL NO. 055-210-10

A petition for Review of Assessed Valuation received from Ronald L. and Jeri L. Burdg protesting taxable valuation on land, zoned A-4/MDR, and designated single family residential, located at 8 Franktown Court, Washoe County, Nevada, was set for consideration at this time.

Stacy Ettinger, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 3, and oriented the Board as to the location of subject property. Appraiser Ettinger advised that comparable sales do provide market evidence that the sales prices in the Lightning W Ranch are declining and the Assessor is recommending that the land value on subject be reduced from \$268,000 to \$207,000; that this has been discussed with the appellants; and that they are in agreement with the recommendation.

Member McCormick disclosed that she is aware of matters with the owners of the Lightning W property but that she does not believe it would preclude her from making a fair decision. The Chairman closed the hearing.

Based on the FINDINGS that the taxable value of the land does exceed fair market value as evidenced by the Assessor's comparable sales, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 055-210-10 be reduced to \$207,000. The Board also found that the new value of the land is the correct value and that the total taxable value does not exceed fair market value.

00-18E HEARING NO. 4A & 4B (1999 SUPP) – JOHN MALKON, TR. PARCEL NO. 003-443-01

A petition for Review of Assessed Valuation received from John Malkon protesting taxable valuation on improvements, zoned PUD, and designated single family residence, located at 3400 Socrates Drive, Reno, Washoe County, Nevada, was set for consideration at this time.

Stacy Ettinger, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 6; and a Photograph, Exhibit II; and oriented the Board as to the location of subject property. Appraiser Ettinger further advised that upon physically re-inspecting the subject after construction was completed, he believes the quality class of the improvements should be reduced from 5.5 to 4.5 which would result in a reduction of the improvement value of approximately \$80,000 for the 2000 tax roll.

John Malkon, Petitioner, was sworn, submitted Comparable Sales, Exhibit A, and testified that he knows that he overbuilt for his area; that the sales he found in his neighborhood range from \$220,000 down to \$168,000; that he realizes those houses are not the same as his; and that he does not believe he could ever get the Assessor's value out of this house if he sold it.

Member McCormick asked him how much it cost to build the house. Petitioner Malkon stated that he did most of the work himself and that he figures he has approximately \$200,000 in it including the land. He then answered other questions of Board members and stated that his opinion of total value is \$265,000, which equates to approximately \$70.00/per square foot.

Appraiser Ettinger stated that this is a classic example of an over-improvement and reviewed comparable sales noting that he did find three sales in the same area that are comparable in size of the living area, but the quality class is less at 3.5 and the lot sizes and the garages are much smaller than subject. He stated that the range of those sales is \$79.36 to \$87.86 per square foot; and that the subject's recommended value is \$97.27 per square foot. Appraiser Ettinger stated that he believes the difference is reasonable considering the higher quality class of subject, larger lot and much larger garage; and that he does not believe the recommended value exceeds market value, although it is probably at the high end of the range. He then answered questions of Board members.

In rebuttal, Petitioner Malkon stated that he was not thrilled with the supplemental tax bill he received either. Chairman O'Brien stated that the Board is charged with determining if the Assessor's taxable value is correct and he thinks the issue is whether the property could be sold for \$380,000. Petitioner Malkon stated that he was positive that it would not in that area.

The Chairman closed the hearing.

Member Fox stated if subject was at \$90.00 per square foot, the value would be approximately \$350,000 and that he feels some kind of reduction is warranted because he does not believe this property would sell for that kind of money. Member McCormick disagreed stating that the Petitioner is not placing any value on his labor and until there is an actual marketing of the property, you cannot know what it would sell for.

Based on the FINDINGS that an appraisal error has occurred and the quality class of subject should be reduced from a 5.5 to a 4.5 as recommended by the Assessor, on motion by Member McCormick, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value of the improvements on Parcel No. 003-443-01 be reduced from \$416,950 to \$336,935 for the 2000 Secured Roll and from \$114,146 to \$49,485 for the 1999 Supplemental Roll. The Board also made the finding that the improvements are valued correctly and that the total taxable value does not exceed fair market value.

00-19E HEARING NO. 58 – CHRIS C. MAHANNAH PARCEL NO. 011-152-05

A petition for Review of Assessed Valuation received from Chris C. Mahannah protesting taxable valuation on land zoned SFR-6 and designated single family residence, located at 566 Ridge Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 9, and oriented the Board as to the location of subject property. Appraiser Stafford advised that when he met with the property owner, it was discovered that the Assessor had the subject classed as a one and a half story, unfinished attic expansion and it is actually a one story with traditional attic; that he has re-costed the improvement value; and that that results in a reduction in improvement value to \$27,297. He noted that the home was built in 1909 and is therefore fully depreciated out.

Chris C. Mahannah, Petitioner, was sworn, submitted a Report, Exhibit A, and testified that his land value goes up about 33 percent with each re-appraisal. He stated that he met with the Appraisers and learned how the appraisals are done; that he has done some research; and that his petition is based on inconsistencies between different Appraisers, inconsistencies in subjectivity in determining land values within each of the Appraisers own areas, and comparable land sales do not support the land values. He then reviewed his report in detail providing average land values for different Appraisers and for different neighborhoods contending that the differences and inconsistencies are too far apart since those homes and neighborhoods are not that much different than his. Petitioner Mahannah further stated that three different Appraisers using three different factors is another inconsistency; that he has visited each of the comparable sales used by the Appraisers and compared them to his property; that the appraised value of his property is \$10.46 per square foot, which exceeds all of the averages he has determined in his calculations. He then responded to questions from Board members and stated that his opinion of the land value is \$57,000.

Appraiser Stafford reviewed his comparable land sales, noting that his Sale No. 1 is the most comparable property which sold in June of 1998 for more than the subject's assessed value; and, in response to the Chairman, commented about the Petitioner's comparable sales.

Member McCormick respectfully requested that the discussion be ceased stating that these comparables are not comparable and that the Petitioner is suggesting that the method of appraisal be completely revised. She added that she does not believe this evidence is relevant. Chairman O'Brien disagreed with her and stated that the Petitioner has gone to a lot of trouble to put this information together and deserves a fair hearing.

Appraiser Stafford stated that the motivation for purchasing MF-14 parcels would be different than for purchasing a single-family lot and that some of the Petitioner's sales are in completely different neighborhoods. Chairman O'Brien asked the Appraiser to comment on the Petitioner's contention that there are inconsistencies between the three Appraisers. Appraiser Stafford responded that the differences are because of different sub-areas within a neighborhood and explained that the base-lot value is \$70,000 for lots on the bluff overlooking the Truckee River; that that area was historically where "mansion row" was for Reno at the turn of the century; that there are some very nice homes up there; that going south from there, the base lot value is \$65,000; and that south of California Avenue, the base lot value was established at \$55,000. He stated that he believes the assessed value is below market value.

In rebuttal, Petitioner Mahannah stated that the Assessor's comparable land sales are not comparable properties and stressed that the inconsistencies between Appraisers should be considered. He reiterated that, looking at the square foot figures, there is only one comparable that is higher than his property and that all of the rest are lower than his assessed value.

The Chairman closed the hearing.

Following Board deliberation, based on the FINDINGS that an appraisal error has occurred in classifying the improvements and the Assessor is recommending a reduction to correct the error, on motion by Member Fox, seconded by Member Nadel, which motion duly carried, it was ordered that the taxable value of the improvements on Parcel No. 011-152-05 be reduced to \$27,297 and that the taxable value of the land remain at \$68,250, for a total taxable value of \$95,547. The Board also made the finding that the new taxable value is the correct value and the total taxable value does not exceed full cash value.

00-20E HEARING NO. 11 – DOUGLAS A., JR., & NANCY C. BUSEY PARCEL NO. 055-421-05

A petition for Review of Assessed Valuation received from Douglas A., Jr., and Nancy C. Busey protesting taxable valuation on land zoned HDR, and designated vacant, located at 10 Lake Meadow Lane, Washoe County, Nevada, was set for consideration at this time.

Stacy Ettinger, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 5, and oriented the Board as to the location of

subject property being a vacant parcel located in the Lightning W Ranch. He stated that the values in Lightning W have been declining due to competition of similar golf course communities; that the developer held on to the values for quite some time and subsequently ended up have a "liquidation" sale which brought the values down to what the Assessor feels is the market value; that subject property is one of the values that the Assessor did lower; that the Petitioner purchased their lot in 1995 for \$144,500; and that the Assessor corrected the value to \$105,000 last fall. He reviewed comparable sales substantiating the Assessor's taxable value.

The Petitioner was not present, but had submitted Correspondence, Exhibit A; and Comparable Sales, Exhibit B, which were reviewed by the Board.

Chairman O'Brien asked if parcels are selling now that the prices are down. Appraiser Ettinger stated that they are and that he thinks there are only about 10 lots left.

Based on the FINDINGS that taxable value does not exceed fair market value as evidenced by the Assessor's comparable sales, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 055-421-05 be upheld. The Board found that the land value is correct.

PUBLIC COMMENTS

There was no response to the call for public comments.

* * * * *

6:20 p.m. There being no further hearings or business to come before the Board, the Board recessed until February 17, 2000, at 9:00 a.m.

JAMES O'BRIEN, Chairman
Washoe County Board of Equalization

ATTEST: AMY HARVEY, County Clerk

**BOARD OF EQUALIZATION,
WASHOE COUNTY, NEVADA**

THURSDAY

9:00 A.M.

FEBRUARY 17, 2000

PRESENT:

James O'Brien, Chairman
Marcia McCormick, Vice Chairman (A.M. session only)
F. Ronald Fox, Member
David Nadel, Member
Jon Obester, Member

Amy Harvey, County Clerk
Betty Jo Vonderheide, Chief Deputy County Clerk
Leslie Admirand, Deputy District Attorney
Glen Gibbons, Senior Appraiser

The Board met pursuant to a recess taken on February 9, 2000, in the Auditorium of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Chairman O'Brien, the Clerk called the roll, and the Board conducted the following business:

9:00 A.M. BLOCK

00-21E TAX ROLL CHANGE REQUESTS – DECREASES

Chris Mumm, Appraiser, responded to questions of the Board concerning this item.

On motion by Member McCormick, seconded by Member Fox, which motion duly carried, Chairman O'Brien ordered that the following Tax Roll Change Requests resulting in decreased valuations for the reasons stated thereon, as presented by the Assessor and placed on file with the Clerk, be approved:

RCR NO.	PARCEL NO.	OWNER
86	012-071-31	River's Edge-Reno Partners
87	039-290-14	Lawrence A. & Mary T. Marshall Tr.
88	032-291-33	Roger J. & Elsie L. Gurr Tr.

PETITION RECEIVED AFTER FILING DEADLINE

Thomas Sokol, Assistant Chief Deputy Assessor, advised that the appeal of Stara, Inc. was postmarked January 21, 2000. Chairman O'Brien stated that at last week's meeting the Board voted to accept petitions this year that were postmarked by January 18th as the filing deadline of January 15th fell on a Saturday and the following Monday was a holiday; and that this petition was postmarked well beyond January 18th and he does not feel it should be accepted. It was noted that the Petitioner was not present.

On motion by Member Fox, seconded by Member Obester, which motion duly carried, Chairman O'Brien ordered that the late petition filed by *Stara Inc. (Timothy C. Lynch)*, *Personal Property ID#2/201-117* received after the filing deadline of January 15, 2000, which was extended this year to January 18, 2000 due to the weekend and holiday, be considered filed in an untimely manner and not be accepted.

00-22E HEARING NO. 26 – STEVEN H. URIE, ET AL PARCEL NO. 009-251-05

A Petition for Review of Assessed Valuation received from Steven H. Urie, et al protesting taxable valuation on land and improvements on property zoned SFR-15 and designated Resort Co, located at 4102 Caughlin Parkway, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property. He advised that, after reviewing the appraisal submitted by the owner and comparing the health club to other facilities, most of which are located in northern California, the Assessor has made a recommendation to reduce the property from \$5,111,409 to \$2,600,000, which would be shown as obsolescence.

Petitioner Steven Urie, submitted Appraisal, Exhibit A.

Chairman O'Brien asked if the appellant is in agreement with the recommendation and Reese Perkins, Real Estate Appraiser, representing the Petitioner, advised that they concur with the Assessor's recommendation.

Appraiser Mumm responded to questions of the Board, advising that the property has a large land to building ratio and much of the property does not produce revenue. He reviewed comparables, the income approach, and the cost approach and advised that the property is not achieving the kind of income that would be necessary to support the present value; that the club has a capacity of approximately 1,000 members and currently has about 700 members; that the subject is a special purpose property that is located in a residential area but has a use that is not typical for a residential area; and that the property will be reviewed each year to determine if anything has changed that would increase the value. Chairman O'Brien noted that the expenses are very high and Appraiser

Mumm commented that the subject is a high maintenance property that employs professional people.

Reese Perkins, Real Estate Appraiser, representing Petitioner, was sworn and testified that there are deed restrictions on the property that prohibit it from ever being used for anything other than residential or the existing facility; that the subject is not part of the development of Caughlin Ranch and there is no common ownership; that the health club industry market has changed very rapidly with the expansion of 24-hour Nautilus, etc., and the subject does not have ease of access which is a critical factor for a health club; that the facility was ill designed and has very small locker rooms and inadequate weight rooms; and that, because the facility is very rustic facility opposed to the big box facility, the operating expenses are out of whack.

Robert Rule, duly sworn, representing Petitioner, was sworn and responded to questions of the Board concerning the property. He advised that he is Treasurer of Lodging and Gaming Systems and Steven Urie is the major shareholder of that company; that Mr. Urie does not receive a salary and puts money from his own pocket into the club each month in order to make payroll and keep the operation going; that the property was on the market approximately 5 years ago and there were no offers at that time; that at one time Lakeridge was looking to buy the property, but backed out because of the restrictions; and that they would need approximately 1200 members in order for the club to break even in its present situation. Member Fox asked what type of advertising was being done to promote the facility and Mr. Rule advised that flyers have been distributed and letters were mailed to existing members for recommendations for increasing membership, and they are considering some renovation of the club to bring it up to date; and that they have not done any general advertising through the media, television, newspapers, etc.

The Chairman closed the hearing.

Member Obester commented that the appraisal was very well done but does not include a cost approach, which is the primary approach of the Assessor. Chairman O'Brien and Member Fox agreed that a cost approach should have been included in the appraisal. Member Fox then stated that the cost approach is important to a special use property; and that he is concerned about reliance on the income approach when no steps have been taken to increase membership and income. Member McCormick stated that she is uncomfortable with relying on the income approach for a business that does not seem to be operated in a businesslike manner. Chairman O'Brien stated that he believes there are problems with the property and some reduction is warranted, but is hesitant to base a reduction on the income when it appears that the property is not being managed and marketed very well.

Based on the FINDING that obsolescence should be applied to improvements as evidenced by the Assessor and the Petitioner, on motion by Member Nadel,

seconded by Member McCormick, which motion duly carried, it was ordered that the taxable value on land on Parcel No. 009-251-05 remain the same at \$1,945,907 and improvements be reduced to \$1,054,093 for a total taxable value of \$3,000,000. The Board also made the finding that the land and improvements would then be correctly valued and the total taxable value does not exceed full cash value.

00-23E HEARING NOS. 18 & 19 – RENO FAMILY LIMITED PARTNERSHIP - PARCEL NOS. 010-110-50/51

A Petition for Review of Assessed Valuation received from Elden L. Bertrand of Reno Family Limited Partnership protesting taxable valuation on land and improvements on property zoned MF-43, located at 1800 Idlewild Drive, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property. Appraiser Mumm advised that the Assessor is recommending a reduction in land value in recognition that the two parcels are being operated as one apartment project having over 50 units; and that an \$8500 per unit value has been placed on the land to equalize the property.

Member Fox disclosed that because he has known the Petitioner for many years he would abstain from any discussion or action on this appeal.

Elden Bertrand, Petitioner, was sworn, submitted Comparables, Exhibit A, and Reno Gazette-Journal newspaper article, Exhibit B. He reviewed values of other properties in the area and stated that they indicate that the subject is valued too high. He then discussed a Reno Gazette-Journal newspaper article dated January 22, 2000 regarding the problems being experienced by rental properties in the area of the subject. He stated that the City put in a skate rink and this draws a lot of young people that create a great deal of noise at night; that many people are moving in and out because of the noise; that their income dropped \$10,000 in gross revenues last year; that they think the market is overbuilt at this time; and that they believe the front parcel should be valued at \$1,053,000 and the back parcel should be valued at \$899,750. Mr. Bertrand responded to questions of the Board.

Appraiser Mumm reviewed the income approach and comparable sales and stated that they support the Assessor's taxable value. He advised that he reviewed each property the appellant submitted, noting that they are not sales, but taxable value comparisons; that some of the appellant's comparisons are much older than the subject and do not have the mix of one, two and three bedrooms, etc.; that he thinks the property is pretty well equalized with the properties in the area and is valued appropriately market wise; and that the Assessor's value is closer to the top of the market range.

In rebuttal, Mr. Bertrand stated that their units were built in 1978 and not in the 80's; that the Murray Manor property appraised at \$30,000 per unit has a pool and other amenities that their property does not have, and the Assessor is recommending a value of \$35,000 on the subject; that the property next door is newer and has all townhouses which throws the comparisons way off; that the market in the area of the subject has changed and the problem with noise from the skating rink is causing more people to move in and out; and that they believe \$30,000 per unit is a fair value for the property.

The Chairman closed the hearing.

Member McCormick stated that she appreciates the Petitioner's argument but feels that Appraiser Mumm has adequately explained the differences. Member Obester stated that he agrees with Appraiser Mumm's value. Chairman O'Brien stated that he feels Appraiser Mumm has done a very thorough job of analyzing the property and it is close to being fairly valued, but he is bothered somewhat that the recommendation is at the high end of the range, particularly with the problems that are being experienced relative to the market and the skating rink. Member Nadel stated that the skating rink is seasonal and the problems apply equally to similar properties in the area; and that the vacancy factor does not seem to be exceptional.

Based on the FINDINGS that fair market value has not been exceeded and that the land and improvements were correctly valued and the total taxable value does not exceed the full cash value as evidenced by the Assessor, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, with Member Fox "abstaining" it was ordered that the taxable value of land on Parcel No. 010-110-50 be reduced from \$315,000 to \$297,500 and improvements remain at \$935,282 for a total taxable value of \$1,232,782; and that the taxable value of land on Parcel No. 010-110-51 be reduced from \$190,000 to \$161,500 and improvements remain at \$830,632 for a total taxable value of \$992,132 as recommended by the Assessor.

00-24E HEARING NO. 52 – KANOA ESTATE INC. PARCEL NO. 031-293-21

A Petition for Review of Assessed Valuation received from Kanoa Estate, Inc. protesting taxable valuation on land and improvements on property zoned C2 and designated apartment, located at 2333 G Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property, advising that the subject is a small eight-plex apartment building.

The Petitioner was not present and submitted Income Statement, Exhibit A.

Appraiser Mumm responded to questions of the Board and advised that the appellant's basis for their opinion of value of \$265,000 is due to functional

obsolescence, locational adjustment, and net income. He reviewed sales comparables and the income approach, advising that they support the Assessor's taxable value. He then commented that small buildings like the subject consisting of duplexes, fourplexes, etc., are held for longer terms and are not immediate income type properties, and the gross income multiplier is more indicative of sales.

The Chairman closed the hearing.

Following deliberation, based on the FINDINGS that fair market value has not been exceeded and that the land and improvements were correctly valued and the total taxable value does not exceed the full cash value, as evidenced by the Assessor, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the Assessor's taxable value of land and improvements on Parcel No. 031-293-21 be upheld.

10:30 A.M. BLOCK

00-25E HEARING NO. 43 – HARVEY L. SCHWARTZ TR. ET AL PARCEL NO. 013-321-29

A Petition for Review of Assessed Valuation received from Harvey L. Schwartz, Tr. et al protesting taxable valuation on land and improvements on property zoned IB and designated General Commercial, located at 1005 Terminal Way, Reno, Washoe County, Nevada, was set for consideration at this time.

Ron Sauer, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property.

Harvey Schwartz, Petitioner, was sworn, submitted Rental Data, Exhibit A, and testified that he believes the Assessor has done a pretty good job in his analysis, but thinks there are still some situations to consider. He stated that the Assessor's stabilized income is really an idealized income as they have not been able to generate that type of Net Operating Income; that they have had incredible expenses since the time of their ownership because of problems with the Heating, Ventilation and Air Conditioning system (HVAC) and continue to have difficult times with the system; that because of the HVAC system, 1/3 of their tenants rent month-to-month and there is a lot of turnover; that the subject has approximately 15% of common area that generates no revenue but has high expenses; that their expense factor is very high relative to most office buildings; and that the full service rental rate on the subject averages approximately \$1.05 per square foot.

Appraiser Sauer reviewed the income approach as well as land sales and rental comparisons. He advised that the \$1.05 average per square foot rental rate of the subject appears to be at market; that the vacancy rate and expense ratio is high which is probably due to the functional obsolescence of the HVAC, the large

amount of common area, and the elevator; that this property has been a long-time problem in the Assessor's office because of the HVAC system and this is being recognized in their recommendation to reduce the value to \$1,650,000. Mr. Sauer then responded to questions of the Board.

Upon inquiry of Member Obester, Mr. Schwartz provided additional information concerning the problems and costs associated with the HVAC system and stated that he was advised that the cost-to-cure the functional obsolescence of the HVAC would be approximately \$1-million.

The Chairman closed the hearing.

Member Fox commented that he thinks the best indicator of value for this property is the income approach, and Appraiser Sauer has indicated that he has considered the higher expense ratio of the property. Member Obester stated that he has no problem with the Appraiser's value but in the future would appreciate an engineer's report concerning the heating and cooling system and what the recommendations and cost-to-cure would be. Member McCormick and Chairman O'Brien stated that they feel the property has been appropriately valued by the Appraiser.

Based on the FINDING that obsolescence should be applied to improvements as evidenced by the Assessor and the Petitioner, on motion by Member Obester, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value on land on Parcel No. 013-321-29 remain the same at \$487,872 and improvements be reduced from \$1,468,329 to \$1,162,128 for a total taxable value of \$1,650,000 as recommended by the Assessor. The Board also made the finding that the land and improvements would then be correctly valued and the total taxable value does not exceed full cash value.

REQUEST TO RESCHEDULE HEARING NO. 69 – CARL W. & FRANCINE A. THOMPSON - PARCEL NO. 013-321-29

Glen Gibbons, Senior Appraiser, advised that the Assessor's office received a letter from the Petitioner that said they could not make the hearing because of inclement weather and poor traveling conditions; and that in the past hearings were usually rescheduled only because of severe illness or something that prevented attendance. Chairman O'Brien advised that the Petitioner attempted to contact him by phone yesterday but he was unavailable; that the Board tries to bend over backwards to give property owners the benefit of the doubt; and that he was traveling over the Sierras yesterday and the weather was bad. Leslie Admirand, Legal Counsel, stated that there is nothing in the statutes regarding this issue but the Administrative Code allows for a grant of continuance before or during a hearing upon good cause being shown. Chairman O'Brien commented that this is not as busy a year as normal and he would be inclined to grant the request and reschedule the hearing given the weather conditions.

On motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that a continuance be granted on Hearing No. 69 for Carl W. and Francine A. Thompson, Parcel No. 013-321-29, to February 28, 2000 at 1:30 p.m.

Member Fox commented that the Board would not want to set a precedent for rescheduling hearings due to inclement weather because it can snow a great deal in February and there is the potential that many Petitioners could request a postponement because of bad weather. Chairman O'Brien agreed that the Board would not want to start a precedent of rescheduling hearings because of inclement weather.

00-26E HEARING NO. 28 – WINCO FOODS, INC. PARCEL NO. 026-182-55

A Petition for Review of Assessed Valuation received from Winco Foods, Inc. protesting taxable valuation on land and improvements on property zoned AC and designated General Commercial, located at 2855 Northtowne Lane, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and Photographs, Exhibit II, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted no exhibits.

Appraiser Mumm advised that the appellant provided a cost to build figure of \$7,424,735 and advised that their costs are allocated differently than the Assessor because what the Assessor considers land costs, the appellant included as building costs and site improvements; and that in reality those are not site improvements because the costs were to make the site buildable and, pursuant to NRS, should be put into the land value. He then advised that the arguments by the appellant and the Assessor are the same for this hearing and the subsequent hearing; that the major arguments of the appellant are that the subject is more like a warehouse than a market, and that the land is overvalued. Appraiser Mumm presented photographs to show that the Winco stores have gondolas and finished areas for the bakery, deli, etc. and are more like a market than a warehouse. He then reviewed comparable sales and the income approach, advising that they support the Assessor's taxable value. Mr. Mumm responded to questions of the Board and advised that the current land value of \$6.98 per square foot was set by the Board of Equalization the last time this property was appealed; that an \$8.00 per square foot value was on the subject at that time; and that he feels the current value is low.

The Chairman closed the hearing.

Member McCormick stated that she believes the Appraiser has more than adequately provided evidence to support the Assessor's value. The other Board members agreed that the Assessor appropriately valued the property.

Based on the FINDINGS that fair market value has not been exceeded as evidenced by the Assessor, and that the land and improvements were correctly valued and the total taxable value does not exceed the full cash value, on motion by Member Obester, seconded by Member Fox, which motion duly carried, it was ordered that the Assessor's taxable value of land and improvements on Parcel No. 026-182-55 be upheld.

00-27E HEARING NOS. 29 A & B – WINCO FOODS, INC. PARCEL NO. 160-280-07

A Petition for Review of Assessed Valuation received from Winco Foods, Inc. protesting taxable valuation on land and improvements on property zoned NC and designated General Commercial, located at 9750 S. Virginia Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and Photographs, Exhibit II, and oriented the Board as to the location of subject property. He advised that the subject is a new store and Hearing Nos. 29A & B are for the same parcel, one being for the 1999 Supplemental Roll and the other for the 2000 Secured Roll.

The Petitioner was not present and submitted no exhibits.

Appraiser Mumm stated that the subject is basically the same as the Northtowne Winco store but is slightly larger; that he twice requested their costs and was not provided that information; that the same sales and approach to income were used for this property as for the previous hearing; and that he feels the best comparable is the Eagle Hardware store on Kietzke Lane. Appraiser Mumm then responded to questions of the Board. Member O'Brien commented that he thinks the income approach may be a bit aggressive. Member Fox noted that the Northtowne Center Winco has \$7 a square foot on the land and the subject has \$8.50 and asked why they are not comparable. Appraiser Mumm stated that he believes they are comparable and the Northtowne Center Winco is also worth \$8.50, but the Board valued it at \$7 when it was last appealed. He then referred to the photographs that show that the subject is not a warehouse market as it has gondolas, finished market areas for the butcher shop, bakery, etc., and a large produce section which requires a great deal more open refrigeration than bulk food stores.

The Chairman closed the hearing.

Member Fox stated that he can support the Assessor's taxable value but would like to have seen land sales that were closer to the subject. Member Obester stated that the location of the subject is in the path of development and he does not feel that the location of available comparables would make a big difference. Member McCormick commented that the appellant has not provided any information or evidence to support their contention that the value is too high and

she sees no reason to not accept the Assessor's value. Chairman O'Brien stated that he thinks the property is valued at the high end of the range but is comfortable enough with the Appraiser's numbers.

Based on the FINDINGS that fair market value has not been exceeded as evidenced by the Assessor, and that the land and improvements were correctly valued and the total taxable value does not exceed the full cash value, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the Assessor's taxable value of land and improvements on Parcel No. 160-280-07 be upheld.

* * * * *

Member McCormick advised that she was a former patient of Dr. Harry Fry and would be recusing herself from that hearing this afternoon; and that since only two other hearings are scheduled and they are widely spaced, she will excuse herself from the afternoon session.

12:10 p.m. The Board recessed until 1:30 p.m.

1:30 p.m. The Board reconvened with all present as in the morning except for Member McCormick.

1:30 P.M. BLOCK

00-28E HEARING NO. 25 - MICHAEL & MARIE STAFFORD ET AL PARCEL NO. 016-720-12

A petition for Review of Assessed Valuation received from Michael & Marie Stafford et al, protesting taxable valuation on land, zoned A-7, and designated General Rural, located at Mira Loma Road, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 5, and oriented the Board as to the location of subject property. Mr. Mumm stated that Sale #2 in the comparables is the most recent and similar to the subject property; that these 3 sales are the only ones that occurred in the last 5 years; that these properties have nothing built on them; and that the property owners would have to drill wells to get water. He further stated that there was a range fire which damaged a lot of the property in that area.

Petitioner was not present.

The Chairman closed the hearing.

Member Fox stated that the subject property is very remote and very speculative, and it is his understanding that the Bureau of Land Management (BLM) originally sold this property back in the 80's.

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales and on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 016-720-12 be upheld.

00-29E HEARING NO. 66A thru 66P – HARRY FRY PARCEL Nos. 017-410-27 thru 37 and 050-520-47 thru 51

A petition for Review of Assessed Valuation received from Harry Fry protesting taxable valuation on land, zoned HDR, and designated Vacant-SN, located just South of Reno off Hwy 395, Washoe County, Nevada, was set for consideration at this time.

Stacey Ettinger, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, pages 1 through 4, and Photos, Exhibit II, and oriented the Board as to the location of subject property. Mr. Ettinger stated that there are 16 parcels that range from 2.5 up to 16 acres; that they are vacant parcels with hilly terrain and a limited number of areas where a building could actually be placed; and that they are located between Tholl Road and the Steamboat Valley area off of Highway 395 South. He further stated that the Assessor's Office subdivided the parcels in October; that they have paved roads and utilities up to the lots; and that they look like they are ready for development.

Harry Fry, Petitioner, was sworn, submitted Comparable sales & listings, Exhibit A, and testified that he estimates the parcels range from \$50,000 to \$75,000 per lot; that there are no houses built on any of the parcels; that they have started putting in the underground conduit for utilities, but there is no wires in any of the conduits; that the road is not signed off by the engineering division; and that there is no water on any of the lots and he has heard that there is arsenic in the water and reverse osmosis is required. He further stated that he is trying to obtain an easement from the neighbor's land to hook up water through the South Truckee Meadows General Improvement District (STMGID) and to be able to access these parcels from Rhoades Road, which would enhance the value of these parcels.

Member O'Brien inquired what percentage of the roads and utilities are completed, if any. Mr. Fry estimated that around 50% is completed and that he is in the process of completing the remainder of the utilities and road.

Appraiser Ettinger reviewed comparable sales of land and stated that he went out to the actual building site to see what is there; that in October when he was there he concluded that the utilities were in; that the roads were up to each individual site; and that his comparables have wells and septic as well.

Petitioner Fry stated that his property does not have utilities to the lots and he is negotiating with Sierra Pacific Power Company; that he believes all of the parcels

should not be considered the same because of the size range; and that once the parcels are completed he would guess that he could sell them at around \$80,000, but the lots are not all the same.

The Chairman closed the hearing.

Based on the FINDINGS that the land and improvements are valued correctly and the total taxable value does not exceed full cash value as evidenced by Petitioner and Assessor, on motion by Member Fox, seconded by Member Obester, with Member Nadel voting "no", which motion duly carried, it was ordered that the Assessor's appraisal be adjusted by reducing the land value on each Parcel Nos. 017-410-27, 28, 29, 30, 31, 32, 33, 34, 35, 36, & 37; 050-520-47, 48, 49, 50, & 51 from \$100,000 per parcel to \$60,000, for a total taxable value of \$960,000, with the understanding that this is under development value and will be reviewed annually by the Assessor's Office.

3:00 P.M. BLOCK

00-30E HEARING NO. 100A THRU 100H – SOUTHERN PACIFIC TRANSPORTATION COMPANY PARCEL NOS. 039-161-06; 039-220-39, 40, & 41; 039-290-11 & 12; 038-172-09; AND 011-380-16

Petitions for Review of Assessed Valuation received from Southern Pacific Transportation Co. protesting taxable valuation on land, zoned PUD and SFR and designated Commercial and Industrial, located adjacent to the railroad tracks in various parts of Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, pages 1 through 8, and oriented the Board as to the location of subject property. He reviewed with the Board his exhibits and method of evaluation on each group of parcels.

Petitioner was not present and the Board reviewed Exhibit A as attached to each of the petitions.

The Chairman closed the hearing.

Parcel Nos. 039-161-06 & 039-290-12

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the Assessor's taxable value on these parcels, both being horse corrals leased for grazing, be upheld.

Parcel Nos. 039-220-39, 40, & 41 and 039-290-11

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Obester, seconded by Member Fox, which motion duly carried, it was ordered that the Assessor's taxable value on these parcels leased for commercial and industrial use, be upheld.

Parcel No. 011-380-16

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the Assessor's taxable value on this parcel based on use as a commercially blended warehouse being 30% retail & 70% transit, be upheld.

Parcel No. 038-172-09

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Nadel, seconded by Member Fox, which motion duly carried, it was ordered that the Assessor's taxable value on this parcel, used for a mini-storage facility, be upheld.

* * * * *

There being no further hearings or business to come before the Board, the Board recessed until February 23, 2000, at 9:00 a.m.

JAMES O'BRIEN, Chairman
Washoe County Board of Equalization

ATTEST: AMY HARVEY, County Clerk

**BOARD OF EQUALIZATION,
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

FEBRUARY 23, 2000

PRESENT:

James O'Brien, Chairman
Marcia McCormick, Vice Chairman
F. Ronald Fox, Member (arrived 9:20 a.m.)
David Nadel, Member
John Obester, Member

Amy Harvey, County Clerk
Betty Jo Vonderheide, Chief Deputy County Clerk (arrived 10:28 a.m.)
Leslie Admirand, Deputy District Attorney (A.M.)
Paul Lipparelli, Deputy District Attorney (P.M.)
Steve Churchfield, Senior Appraiser

The Board met pursuant to a recess taken on February 17, 2000, in the Auditorium of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Chairman O'Brien, the Clerk called the roll, and the Board conducted the following business:

9:00 A.M. - BLOCK

00-31E TAX CHANGE REQUESTS - DECREASES

Following discussion, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that Tax Roll Change Requests Nos. 89 through 92 resulting in decreases to the 2000 secured roll, except for No. 92 which affected the 1999 supplemental roll (improvements only), be approved for the reasons stated thereon.

00-32E PETITION FILED LATE – DISCUSSION AND ACTION

Following discussion, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, Chairman O'Brien ordered that the late filing, by C.M. Murphy, Personal Property ID# 2/463-171, not be considered, as the Assessor's office has evidenced that it is out of order.

00-33E HEARING NO. 30 – FLOWER POINTE, LLC PARCEL NO. 031-081-32

A petition for Review of Assessed Valuation received from Flower Pointe, LLC, protesting taxable valuation on land and improvements, zoned C-2, and designated General Commercial, located at 1001 Pyramid Way, Sparks, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 13, and oriented the Board as to the location of subject property.

Reese Perkins, Johnson-Perkins & Associates, Inc., was sworn, and testified that in 1999 he had been hired by Pioneer Citizens' Bank to conduct an appraisal on the Pyramid Tower Building located at 1001 Pyramid Way in 1999 (Exhibit A); that the owners wanted to re-finance the building and that was the purpose of the appraisal; and that he at that time placed a market value of the subject property's leased fee estate as \$840,000.00. He further went over the rental status of the building and provided a report (Exhibit B) to the Board.

Member Fox arrived during Mr. Perkins testimony

Member Fox requested more detail from Mr. Reese on how he arrived at the 11% capitalization rate. Mr. Reese responded that there is a summary of capitalization rates on page 55 of the Appraisal Report; that they are more completely described in the Market Approach to Value section of the Report; and that the comparables provided indicate a range from 9.46% to 11.29%.

Member Nadel commented that the location of the Pyramid Tower Building is a good location in Sparks and that Pyramid Highway and Oddie Boulevard is a high traffic area. Mr. Reese stated that the building may be in a good location, but the building was probably not designed for retail businesses.

Member Obester inquired why a cost approach was not conducted on the building and if the amount the building is insured for was taken into consideration in the appraisal. Mr. Perkins responded that because of the age of the improvements and the functional obsolescence, estimates of the building would be fairly subjective because it is a 30 year old building, and that the owner would have to advise the Board on the amount of insurance.

Mike Fiannaca, Petitioner, stated that the insurance is wrapped up in a general liability umbrella policy which incorporates this building and the operations of the Flower Shop.

Mr. Mumm stated that Sparks Florist dominates the building, which is owned by the property owner, and that he finds the rents in this building on the low side. He further stated that in 1996 the building was appraised and it was valued at \$1,500,000.00 and it came before this Board where it was reduced to \$994,000.00.

Mr. Perkins stated that he believes his comparables are more appropriate with commercial rents in Sparks of similar buildings. He further stated that the Assessor's office has attributed a market rent to the third floor without any allowance for tenant improvements and that access and exposure is severely limited to this building.

The Chairman closed the hearing.

Based on the FINDINGS that the land and improvements were correctly valued, and the total taxable value does not exceed fair market value as evidenced by the Assessor's comparable sales, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the Assessor's taxable value of land and improvements of \$1,027,746.00 be upheld.

**00-34E HEARING NO. 21B – SCOUT DEVELOPMENT CORPORATION
PARCEL NO. 011-370-12**

A petition for Review of Assessed Valuation received from Scout Development Corporation protesting taxable valuation on improvements, zoned C, and designated Parking Structure, located at 50 East Plaza Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 10, and oriented the Board as to the location of subject property. He further stated that he verified that this was an arms-length business transaction between Scout Development and Fitzgeralds, as well as between G & S Development who owns the land, and informed the Board that the Assessor's office is recommending a reduction to \$3,000,000.00.

Jerry Priddy, Senior Finance Director, appearing on behalf of the Petitioner, was sworn and submitted a Letter designating Fitzgeralds as a Limited Authorized Agent, (Exhibit A), and testified that Fitzgeralds was leasing the roof structure and the 6th floor prior to acquiring the structure. He further stated that Fitzgeralds is in agreement with the recommended reduction of the building.

The Chairman closed the hearing.

Based on the FINDINGS that the improvements have now been correctly valued as evidenced by the Assessor's comparable sales and Petitioner's representative agreement and that the total taxable value does not exceed full cash value, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the Assessor's taxable value of \$4,021,601.00, be reduced to \$3,000,000.

00-35E HEARING NO. 77A & 77B R99 AND 78A & 78B R99 – NEVADA (S. VIRGINIA AVENUE) LLC – PARCEL NOS. 043-030-23 AND 24

A petition for Review of Assessed Valuation received from Nevada (S. Virginia Avenue) LLC, protesting taxable valuation on land, zoned AC, and designated Vacant, located at South Virginia Avenue and Longley Lane, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 6, and oriented the Board as to the location of subject property.

Gerry Nix, on behalf of Grace Enterprises, Petitioner, was sworn and testified that he is a Commercial Real Estate Broker and is not appearing as an appraiser. He stated that he has interfaced with the Developer of Grace Enterprises for the acquisition of Rite-Aid Drug Store sites in Northern California and Northern Nevada and has never issued an appraisal report in regard to this property.

Leslie Admirand, Deputy District Attorney, advised that the District Attorney's Office has issued an opinion regarding persons coming before the Board as personal representatives in this capacity, with a letter from the employer, which is acceptable.

Mr. Nix stated that in order to construct a Rite-Aid Store at this location, which consumes about 1½ acres, they purchased an 8 acre parcel and the developer assumed the risk of selling the residual of the property. He further stated that he submitted some sales from the Assessor's sales documents from 1997 through 1999 which should be considered as comparables to this property. He went over them with the Board. He requested a reduction on the land due to restrictions placed on the parcel from the contract with Rite-Aid and stated that Grace Enterprises is having a difficult time attracting tenants and believes that the property is at the high value range.

Mr. Stafford stated that the Sale Price per square foot needs to be corrected from \$10 to \$15 a square foot on the Fact Sheet of Parcel No. 043-030-23 of the Subject Property and on the Fact Sheet for Parcel No. 043-030-24 the size needs to be changed to 4.496 acres. He then went over the Assessor's comparables for the Board and stated that Mr. Nix submitted his comparables to the Assessor's office yesterday and he has no comment on them at this time.

The Chairman closed the hearing.

Member Fox stated that he could not support a reduction on the front parcel, but could possibly support a reduction on the back parcel based upon access and location.

Chairman O'Brien stated that he believes Rite-Aid picked the best part of the property and the excess property will need some creative development. He

further stated that he believes that the property is valued at the high range and he could support a reduction of the back parcel.

Parcel No. 043-030-23:

(Hrg. #77A & 77B R99)

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Fox, seconded by Member Obester, which motion duly carried, with Chairman O'Brien voting "no," it was ordered that the Assessor's taxable value of land of \$549,784.00, for both years be upheld.

* * * * *

Parcel No. 043-030-24:

(Hrg. #78A & 78B R99)

On motion by Chairman O'Brien, seconded by Member Fox, which motion duly carried, with Members McCormick and Obester voting "no," it was ordered that the Assessor's taxable value of land of \$1,468,838.00 be reduced to \$979,229.00, for both years to bring it within full cash value as evidenced by the Assessor's comparable sales and Petitioner's representative and that this parcel be reviewed annually by the Assessor's office. The Board makes the findings that the land is now correctly valued.

00-36E HEARING NO. 57 – DAVID CHUBB TR. ET AL PARCEL NO. 035-160-07

A petition for Review of Assessed Valuation received from David Chubb TR et al protesting taxable valuation on land, zoned R1-15, and designated Vacant-SN, located at 3415 Martini Road, Sparks, Washoe County, Nevada, was set for consideration at this time.

Barbara Keller, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 4, and oriented the Board as to the location of subject property. She further stated that the petitioner was present earlier and agreed to the reduction recommended by the Assessor's office.

Petitioner was not present.

The Chairman closed the hearing.

Based on the FINDINGS that the land will now be correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Obester, seconded by Member Fox, which motion duly carried, it was ordered, based upon the recommendation of

the Assessor, that the taxable value of land of \$50,960.00 be reduced to \$40,000.00.

00-37E HEARING NO. 48 – PALOMINO VALLEY ESTATES INC. PARCEL NO. 076-220-27

A petition for Review of Assessed Valuation received from Palomino Valley Estates, Inc. (George & Lolita Newell) protesting taxable valuation on land zoned GRR, and designated Vacant-SN, located at Ironwood Road, Reno, Washoe County, Nevada, was set for consideration at this time.

Ronald Shane, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 4, and oriented the Board as to the location of subject property.

George Newell, Petitioner, was sworn, and testified that he has been actively marketing the property for sale but there is no potential buyer and upon inquiry stated that he did not bring any documentation of listings.

The Chairman closed the hearing.

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the Assessor's taxable value of land of \$35,000.00 be upheld.

00-38E HEARING NO. 49 – GEORGE & LOLITA NEWELL PARCEL NO. 077-130-17

A petition for Review of Assessed Valuation received from George & Lolita Newell protesting taxable valuation on land and improvements, zoned A-7 SPA/LDS/GR, and designated Vacant, located at Broken Spur Road, Palomino Valley, Washoe County, Nevada, was set for consideration at this time.

Ronald Shane, Appraiser, duly sworn, stated that the Petitioner, George Newell, who is present, has agreed to withdraw his petition and work with the Assessor's office to obtain an agriculture exemption for his land.

George Newell, Petitioner, was sworn, and requested that his petition be withdrawn, as he is seeking an agriculture exemption, because currently there is garlic planted on this parcel.

00-39E HEARING NO. 50 – GEORGE & LOLITA NEWELL PARCEL NO. 077-340-61

A petition for Review of Assessed Valuation received from George & Lolita Newell protesting taxable valuation on land and improvements, zoned SPA/HDR, and designated Vacant, located at Broken Spur Road, Palomino Valley, Washoe County, Nevada, was set for consideration at this time.

Ronald Shane, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 6, and oriented the Board as to the location of subject property. He stated that the Assessor's office is recommending a reduction on this property and on February 17th the Petitioner agreed with the amount of adjustment.

George Newell, Petitioner, was sworn, and testified that he is in agreement with the recommended reduction.

The Chairman closed the hearing.

Based on the FINDINGS that the land will now be correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Member Nadel, seconded by Member Fox, which motion duly carried, it was ordered that the taxable value of land of \$105,756.00 be reduced to \$52,000, in accordance with the recommendation of the Assessor.

00-40E HEARING NO. 82A & 82B S99 – RODNEY PAYNE PARCEL NO. 046-161-02

A petition for Review of Assessed Valuation received from Rodney Payne protesting taxable valuation on land and improvements, zoned LDS, and designated SFR, located at 87 Bennington Court, Reno, Washoe County, Nevada, was set for consideration at this time.

Gene Nelson, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 13, and oriented the Board as to the location of subject property.

Rodney Payne, Petitioner, was sworn, and testified that he bought the property in 1998 at St. James Village and had bought the lot with the understanding that there would be a golf course and other amenities, which has not happened. He stated that there are difference in prices for lots at St. James Village and a neighbor of his just sold a lot for \$99,000, but that no lots on Bennington Court have been sold during the past year. He further stated that the owners have not lowered the value of lots even though the promised amenities have not been produced.

Member Obester stated that he could not support any reduction for this property as he believes real estate will not decline in that area.

Member Fox believes he could support a reduction in land value but not in improvements.

The Chairman closed the hearing.

Parcel No. 046-161-02: 2000 Secured Tax Roll

Based on the FINDINGS that the land and improvements will now be correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, on motion by Chairman O'Brien, seconded by Member Nadel, which motion duly carried, with Member Obester voting "no," it was ordered that the taxable value of improvements be upheld and the land reduced to \$200,000 for the 2000 tax roll only.

* * * * *

Parcel No. 046-161-02: 1999 Supplemental Tax Roll

Based on the FINDINGS that the land and improvements were correctly valued, and that total taxable value does not exceed full cash value as evidenced by the Assessor's comparable sales, and on motion by Member Fox, seconded by Member Nadel, which motion duly carried, it was ordered that the taxable value of land of \$640,140.00 be upheld.

12:50 p.m. The Board recessed for lunch.

130 p.m. The Board reconvened with all present as in the morning and Paul Lipparelli, Deputy District Attorney, sitting as Legal Counsel.

1:30 P.M. BLOCK

00-41E HEARING NO. 9 – DAVID BARKER (LANDRUMS) PERSONAL PROPERTY I.D. NO. 2/210-120

A Petition for Review of Assessed Valuation received from David Barker protesting taxable valuation on personal property at Landrums located at 415 S. Rock Boulevard, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property.

David Barker, Petitioner, was sworn, submitted Personal Property Declaration, Exhibit A, and Income Statement, Exhibit B, and testified that he misunderstood

the Personal Property Declaration process and incorrectly filled out the form by including the entire \$25,000 purchase price of the business.

Appraiser Sokol stated that the valuation of the personal property was based on the declaration returned by Mr. Barker for the 1998 fiscal year in which he reported costs of \$25,000 for furniture, fixtures and equipment; that there was no change made on the 1999 declaration; and that a depreciation schedule and asset listing was requested but has not been received.

Member Nadel commented that the business, which he is very familiar with, is a very modest operation. Mr. Barker described the business and contents and advised that it is a very small diner. He further advised that he has twice requested the depreciation schedule from his CPA, but has not yet received that information. Chairman O'Brien stated that it would be difficult for the Board to make a decision on this matter without something definitive to look at. Senior Appraiser Steve Churchfield suggested that the Board could consider continuing this item to Monday. Upon inquiry, Mr. Barker advised that a continuation to Monday would be fine and he could provide the appropriate information at that time. Member Obester requested that the appellant also provide a copy of the lease agreement and the sales purchase contract.

Following discussion, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that Hearing No. 9 concerning the personal property value for David Barker be continued to Monday, February 28, 2000 at 1:30 p.m.

00-42E HEARING NO. 45 - GOLDEN ROAD MOTOR INN, INC. (ATLANTIS CASINO RESORT) - PERSONAL PROPERTY I.D. NO. 2/285-003

A Petition for Review of Assessed Valuation received from Golden Road Motor Inn, Inc. dba Atlantis Casino Resort protesting taxable valuation on personal property located at 3800 South Virginia, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property. He advised that the Petitioner did not submit a Personal Property Declaration by the July 31st statutory deadline; that, as required by NRS 361.265, the Assessor estimated the value of the personal property; and that the Assessor's estimated taxable value for 1999/00 is \$30,675,103. Mr. Sokol responded to questions of the Board concerning how the taxable value was determined and then advised that a personal property declaration has not been received from the property owner since 1995; that the Petitioner has indicated that approximately \$65 to \$66-million was spent on their new addition; that the Assessor's office received a declaration that was submitted with the Petition, which was one month after the appellant received their personal property tax bill; and that approximately \$23-million in costs was listed out of a total of \$47-million

for furniture and equipment, which is less than 50% that the Petitioner is claiming to be taxable.

Upon the request of Paul Lipparelli, Legal Counsel, concerning the Board's authority regarding this personal property appeal, Mr. Sokol advised that NRS 361.354 (2) states that "if the person complaining of the assessment of his property has refused or without good cause has neglected to give the county assessor his list under oath as required by this chapter or has refused entry to the assessor for the purpose of conducting physical examination required by 361.260, the county assessor shall make a reasonable estimate of the property and assess accordingly. No reduction may be made by the county board of equalization from the assessment of the county assessor made pursuant this subsection." Legal Counsel Lipparelli then stated that, as he understands Deputy District Attorney Wilkinson's opinion, since the taxpayer failed or refused to submit the personal property statement, the statute bars the Board of Equalization from reducing the Assessor's assessment of the personal property; that the only exception would be if the taxpayer could indicate to the Board's satisfaction that there was good cause for why the list was not submitted; and that if the Board determines there was not good cause, the Board would then be without power to reduce the assessment.

Debra Robinson, General Counsel for Golden Road Motor Inn, Inc. dba Atlantis Casino Resort, was sworn, submitted Personal Property Declaration, Exhibit A, and Income Statement, Exhibit B, and testified that it was her understanding that the declaration was not submitted timely, but one was submitted in January with an under oath assessment of value that is substantially different than that of the Assessor's office; and that it was also her understanding that the task of submitting the declaration was assigned to someone who failed to submit the document.

Upon inquiry of Chairman O'Brien, Mr. Sokol advised that the declaration was submitted almost one month after the account was billed and states that it was submitted subject to revision, which leaves a question as to whether what was submitted was an accurate rendition; and that once the assessment is made the only change would be if the Board decides that the assessment was unreasonable.

Ms. Robinson then referred to NRS 361.345 concerning the failure of the property owner to submit a declaration, and advised that it states that "...the County Assessor shall make a reasonable estimate of the property and assess it accordingly." She referenced State vs. Central Pacific Railroad, being one of the case annotations appearing below the statute, which states that "The taxpayer retains a right to insist that the Assessor discharge his duty honestly and not place an excessive valuation on his property." She advised that their concern is the extreme difference between the Assessor's valuation and the valuation that the Atlantis declared under oath. Ms. Robinson then referred to an article in this morning's Reno Gazette-Journal concerning businesses that fail to file a personal

property tax form each year, which quotes County Assessor McGowan as telling his assessor's to make their estimates "on the high side." She stated that this would suggest that the assessor's are not necessarily making reasonable property estimates as the statute requires; and that because she feels the Board should be concerned whether the \$30-million estimate is a reasonable estimate, she would request that it look at the sworn statement that was filed by the appellant as well as the basis the Assessor's office used to make their estimate.

The Chairman closed the hearing.

Chairman O'Brien stated that, in his opinion, the declaration was not filed in a timely manner even though the appellant had plenty of time and plenty of notice to do so. Member Obester stated that he thinks the other issue is whether the Board feels the estimate is unreasonable. Chairman O'Brien commented that this is a huge property with a lot of personal property, and the assessor and the property owner would need to spend a lot of time going over the declaration; that the Board does not have all the information it would need to determine whether the estimate is unreasonable; and that he cannot speak for Assessor McGowan concerning what he tells his people to do. Member McCormick stated that it is significant that the property owner has not filed for a few years and this is not a one time occurrence; that she believes the interpretation of the statute is that the Board does not have the authority to change the assessment; and that she sees no evidence that anything unreasonable was done by the Assessor's office since the practice they followed was the same as in all other cases where personal property declarations are not submitted by the statutory deadline.

Based on the FINDINGS that the Golden Road Motor Inn, Inc., dba Atlantis Casino Resort, has not shown good cause for failure to file a personal property declaration, and there is no unreasonableness in the method of valuation of the property by the Assessor; and that, therefore, under statute the Board does not have the authority to change the valuation, on motion by Member McCormick, seconded by Chairman O'Brien, which motion duly carried, with Members Fox and Obester voting "no," it was ordered that the taxable value of personal property I. D. No. 2/285-003 be upheld.

00-43E HEARING NO. 47 A&B – REOPEN 1999 TAX ROLL - GOLDEN ROAD MOTOR INN, INC. (ATLANTIS CASINO RESORT) - PARCEL NOS. 020-254-57 AND 024-040-05

A Petition for Review of Assessed Valuation received from Golden Road Motor Inn, Inc. dba Atlantis Casino Resort protesting taxable valuation on land, improvements, and personal property on property zoned HC and designated Casino/Hotel, located at 3800 South Virginia, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I, and oriented the Board as to the location of subject property. He

advised that the 1999 tax roll was reopened to add improvement values for new construction at the site; and that two parcels were affected, being the main hotel casino and the west parking lot, which two parcels are connected by the sky bridge. Appraiser Stafford then advised that the presentations and discussion for this hearing would be the same as for the next hearing for the 2000 tax roll.

William Kimmel, Appraiser representing Petitioner, was sworn, submitted Personal Property Declaration, Exhibit A, Income Statement, Exhibit B, and Appraisal, Exhibit C, and testified that he is an independent real estate appraiser certified in the State of Nevada; and that his fee is a flat fee and is not contingent on the outcome of any action the Board may take. Mr. Kimmel stated that he is not specifically protesting land value, improvement value, or personal property value, but is looking at the entire property, noting that the Board took action in the previous hearing not to address personal property value. He referred to his appraisal for the property and stated that he believes the property should be assessed based on the value of the property as of today and not a year from now; that he has no problem with the Assessor's square foot value of the excess land but does not agree with the amount of the west parking lot parcel that should be considered as excess land; and that he believes 25% of the west parking lot parcel should be considered excess land as 75% is utilized in conjunction with the hotel. He then discussed the income approach and advised that there has been an increase of approximately \$1.5-million in the six months since the completion of the expansion; that consideration should be given that it takes some time to experience the impact of new improvements; that early projections were that net income over the next 12 months should increase to approximately \$21-million but this has been lowered to approximately \$19-million because they recognize that the first projection will not be accomplished; and that he has utilized \$20-million as an anticipated stabilized income over the next year, emphasizing that this has not yet occurred. He then advised that his report contains almost every arms length casino sale in the state and he used an 18% cap rate, which is the lowest rate that the evidence indicates; and that his conclusion of value for the property is \$111,111,000, which includes land, improvements, and personal property. Mr. Kimmel then responded to questions of the Board.

Chairman O'Brien commented that the Board did not get a copy of Mr. Kimmel's appraisal until today, and would like to have this information earlier to provide for a better review. Member McCormick commented that Mr. Kimmel's comparables are not really comparable to the subject and that she is not convinced that an 18% cap rate is appropriate.

Appraiser Stafford reviewed the expansion of the Atlantis, and advised that it is only part of what is envisioned for the property. He stated that the owners have received a special use permit from the Reno City Council to more intensively develop the property and have approvals in place that allow for a total of 1,512 rooms on the east side of Virginia Street, increased casino size, 3 additional restaurants, a multi-story garage for 1,466 cars, a pedestrian overpass over

Peckham Lane connecting to the convention center, and approval for a temporary parking lot on the 14.67-acre parcel east of Virginia Street for 1,406 spaces. He then discussed issues relative to surplus land and stated that the income approach to value does not address surplus land; that he and Mr. Kimmel agree that about 75% of the west parking lot is currently being utilized, but this is an over improvement and the subject does not need it; that the entire west parcel being used for surface parking is zoned hotel commercial; that the Atlantis is the only hotel casino in Reno and Sparks that is within walking distance of the convention center, which has been approved for a major expansion; and that the Atlantis has reported an expenditure of \$66-million to improve their property and the assessor has added \$63.4-million to the 1999 tax roll. He then reviewed his calculations concerning the excess land and advised that he arrived at a total of 10 acres of surplus land based on the parking required for what is currently built.

Appraiser Stafford then discussed net income and the cap rate and stated that he does not have a major disagreement with the \$20-million income Mr. Kimmel is projecting for the year 2000, but there is the probability that once the property is absorbed in the market the bottom line will improve; that the property has been very well received and the Financial Officer has indicated that two years will tell the full story of their expansion, and down the road income will probably be 10% above 2000; and that there is a probable upside for a \$23-million stabilized income when the property is fully absorbed in the market place. He further stated that he does not disagree with the 18% cap rate and using stabilized income of \$23-million and adding surplus land, the value is up to \$134-million; that he believes the cost approach is an applicable method for valuing the subject because 50% of the property is brand new, the improvements conform to the highest and best use of the site, and the subject is a special use property; and that based on the cost approach, his indication of value is \$127-million. Appraiser Stafford then advised that time will tell whether the expansion will pay off as there is not enough history yet, and the property needs to be looked at in a year or two; that to go the other way where a property owner spent \$66-million improving their property and then wants obsolescence applied is not appropriate; and that his opinion of value for 1999 is \$126.6-million and for 2000 is approximately \$128-million.

In rebuttal, Mr. Kimmel stated that he does not disagree with the square foot value on the land but differs on the amount of excess land; that his argument is that 75%, or approximately 11.08 acres, of that parcel is being used and 25% is excess land; that, if and when the convention center expands and, if and when income increases, the valuation should then go up; that the balance sheet does not represent market value and the property should be valued as of today; and that, if the Board puts obsolescence in the improvement value, the Assessor has every right to look at the property next year, which would be a fair process for everyone.

The Chairman closed the hearing.

Member McCormick stated that she thinks Mr. Kimmel has a tendency to see the casino industry as the casino industry portrays itself when it comes to the issue of taxation, which is that the situation is not as good as it looks and it cannot be counted on that things will get better, etc.; that if she were looking to purchase the subject she would look at growth and growth potential and the other positive factors; that she has a concern that if a reduction is made, the effect indirectly allows their appeal on personal property; and that she would support the assessor's current values on the real property.

Member Fox commented that both the assessor and the appellant are using an income approach to arrive at their value which includes the personal property; that the Board's decision in the previous hearing has placed the personal property value at \$30-million, which will have to be accounted for if any reduction is made; that there is no disagreement between the appellant and the appraiser concerning the 18% cap rate; and that what needs to be resolved is the issue of stabilized income of \$20-million by the appellant or \$23-million by the appraiser. Chairman O'Brien stated that there is also disagreement as to the amount of excess land, which the Assessor says is over one-half of the west parking lot parcel and the appellant says is 25%.

Member Obester stated that he is not sure there is any excess land, noting that during Hot August Nights, every inch of that parcel was used, and he would support the appellant's argument concerning the amount of excess land. Member Fox commented that he could support adding approximately \$3-million for excess land instead of the assessor's \$6-million. Chairman O'Brien stated that, in his opinion, any obsolescence assigned would be in recognition of a start-up stage of the new expansion, which he would support; that he can sympathize with the argument that today's numbers need to be looked at, and believes Mr. Kimmel has taken a reasonable approach in determining the value of the property; and that if the Board reduces the value, the property needs to be looked at annually. Member McCormick commented that documentation shows that room occupancy has been pretty steady over the last four years and the income has continued to go up, and it would not be unreasonable to expect that income will continue to increase. Member Fox stated that he believes some income growth is anticipated by the owner and is warranted with the plans for expansion of the convention center, and he could accept a \$21-million stabilized income figure. Member Fox and Chairman O'Brien stated that they could support a \$120-million value for the subject including the personal property and excess land. Senior Appraiser Churchfield commented that if the Board is leaning toward making a reduction for obsolescence, he would suggest that it be placed on the larger parcel which has the majority of the improvement value.

Based on the FINDINGS that obsolescence should be applied in recognition that some time is necessary to achieve the benefits of the new expansion, on motion by Member Obester, seconded by Member Fox, which motion duly carried, with Member McCormick voting "no," it was ordered that the taxable value of land on Parcel No. 020-254-57 remain at \$5,153,940 and improvements be reduced from

\$77,661,259 to \$70,916,761 for a total taxable value of \$76,070,701; and land on Parcel No. 024-040-05 remain at \$8,853,325 and improvements remain at \$419,646 for a total taxable value of \$9,272,971. The Board made the finding that the land and improvements would then be correctly valued and the total taxable value does not exceed full cash value.

00-44E HEARING NOS. 46 A THROUGH G – GOLDEN ROAD MOTOR INN, INC. (ATLANTIS CASINO RESORT) PARCEL NOS. 020-254-37,-38,-39,-40,-57; 024-040-05,-06

A Petition for Review of Assessed Valuation received from Golden Road Motor Inn, Inc. dba Atlantis Casino Resort protesting taxable valuation on land, improvements, and personal property on property zoned HC and designated Casino/Hotel, located at 3800 South Virginia, Reno, Washoe County, Nevada, was set for consideration at this time.

Mark Stafford, Appraiser, duly sworn, submitted Assessor's Fact Sheets and Maps, Exhibit I. He stated that this hearing is for the 2000 tax roll and the only difference is that the personal property billing has not been calculated.

William Kimmel, Appraiser representing Petitioner, duly sworn, submitted Personal Property Declaration, Exhibit A, Income Statement, Exhibit B, and Appraisal, Exhibit C.

It was noted that most of the discussion for this hearing was conducted during the last hearing (Item No. 00-43E).

Thomas Sokol, Assistant Chief Deputy Assessor, advised that the filing of the 2000/01 personal property declaration by the Atlantis Casino would not be required until July 31, 2000; and that, although the 2000 personal property value is unknown, based on the 1999 value of \$30-million, the value would probably drop 10-15%.

Member McCormick stated that she believes the Board should uphold this value as reducing it would give the appellant the benefit of the appeal without legally timely filing the personal property declaration.

Appraiser Stafford urged that the Board not make any changes to the 2000 roll as the property owner still has the right to appeal their valuation to the next Board of Equalization if they contend that the personal property puts their total property over market value, noting that his concern is that if the 2000 real property value is reduced and the Petitioner is able to prove that the 2000 personal property is worth less than the current \$30-million value, the subject might then be several million dollars below market value. Senior Appraiser Churchfield commented that the property owners also have the option to go to the State Board by which time their 2000/01 personal property declaration should have been filed.

Mr. Kimmel requested clarification of the action previously taken for the 1999 roll and expressed concern that the value not go back before the new improvements were completed; and that if the Board comes up with something different than \$120-million for the 2000 tax year, the way he understands the Board's logic, either the cap rate would have to be changed or the net income would have to be raised. Debra Robinson, General Counsel for Golden Road Motor Inn, Inc. dba Atlantis Casino Resort, duly sworn, advised that the sky walk portion of the improvements were completed in March, 1999 and the 27-story tower was completed in approximately August, 1999;

Chairman O'Brien stated that he thinks it is appropriate to go along with the Assessor's recommendation for the reason that the personal property might come in a lot less than the \$30-million value for 1999 which is remaining on the books because the property owner did not file the declaration in time, and there seems to be some real confusion about what's there.

Mr. Kimmel commented that it is the Board's prerogative to do that, but he thinks it is inappropriate.

Ms. Robinson stated that if the Board goes in that direction and is not willing to evaluate the values for real property and improvements based on the failure to file the personal property declaration form, she believes there is a due process issue.

Legal Counsel Paul Lipparelli, commented that the advice of the District Attorney's office with regard to this personal property declaration issue has been that, while the statute may preclude the Board from reducing a personal property assessment that was made after the Assessor estimated the value due to the property owner's failure to turn in the statement, that does not preclude the Board from adjusting the real property assessments and acting on a petition that the property owner filed claiming that the value was inappropriate.

The Chairman closed the hearing.

Chairman O'Brien stated that for 1999 the Board applied approximately \$6.5-million of obsolescence to one parcel and did value the real property; and that he thinks the arguments made by the Assessor's office are valid and the year 2000 value should be upheld.

Member Fox commented that he does not see anything inconsistent with having a different value for the year 2000 than for 1999 because it is another year for the owner to increase their business and profits, and he thinks it is reasonable to assume that their income will increase.

Member McCormick stated that she already felt that the income projections could have been increased and thinks the Assessor's value should be upheld.

Based on the FINDING that fair market value has not been exceeded, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the taxable value of land and improvements on Parcel Nos. 020-254-37,-38,-39,-40,-57 and 024-040-05,-06 be upheld. The Board made the finding that the land and improvements would then be correctly valued and the total taxable value does not exceed full cash value.

00-45E HEARING NO. 2 – HANCOCK FABRICS #1414 PERSONAL PROPERTY I.D. NO. 2/298-030

A Petition for Review of Assessed Valuation received from Hancock Fabrics protesting taxable valuation on personal property located at 534 Greenbrae Drive, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor’s Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Amended Personal Property Declaration, Exhibit A.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that, due to a reporting error whereby rental inventory not owned by the Petitioner was included in the reported costs, it was ordered that the taxable value of personal property of Hancock Fabrics, I.D. No. 2/298-030 be reduced from \$259,834 to \$19,366. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

* * * * *

Legal Counsel Lipparelli stated that no Petitioners were present wishing to speak on Hearing Nos. 2, 8, 10, 12, 17, 20, 55, 67, 68, and 83 and no other members of the public were present; and that there would be no purpose in opening and closing these hearings.

00-46E HEARING NO. 8 – NANCY BROWN (BROWNSTONE DESIGNS) PERSONAL PROPERTY I.D. NO. 2/175-090

A Petition for Review of Assessed Valuation received from Nancy Brown (Brownstone Designs) protesting taxable valuation on personal property located at 1975 Wren Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor’s Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted 99-00 Tax Bill, Exhibit A.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that, due to the fact that no business has been conducted since July, 1998, it was ordered that the taxable value of personal property of Nancy Brown (Brownstone Designs), I.D. No. 2/175-090 be reduced from \$1,460 to \$- 0 -. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-47E HEARING NO. 10 – DARRYL J. NELSON (RENO PROSPECTORS SUPPLY) - PERSONAL PROPERTY I.D. NO. 2/293-322

A Petition for Review of Assessed Valuation received from Darryl J. Nelson (Reno Prospectors Supply) protesting taxable valuation on personal property located at 315 Claremont Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Personal Property Declaration, Exhibit A.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that, due to a reporting error on the 1999/2000 personal property statement whereby items of personal property were deleted and mistakenly included on the declaration as additions, it was ordered that the taxable value of personal property of Darryl J. Nelson (Reno Prospectors Supply) I.D. No. 2/293-322 be reduced from \$8,677 to \$317. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-48E HEARING NO. 12 – 98CENT CLEARANCE CENTER PERSONAL PROPERTY I.D. NO. 2/230-007

A Petition for Review of Assessed Valuation received from 98Cent Clearance Center protesting taxable valuation on personal property located at 598 N. McCarran, Sparks, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Personal Property Declaration and Statement, Exhibit A, and Letter of Authority, Exhibit B.

Mr. Sokol reviewed the Petition and advised that the appellant is contending that they reclassified leasehold improvements as machinery and equipment; that the Assessor requested from their tax representative a detailed listing of the personal property items; that no detailed information was received and the information provided by the taxpayer does not support their contention of double taxation; and that it is recommended that the personal property valuation be upheld.

Based on the FINDING that the personal property is appropriately valued, as evidenced by the Assessor, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of personal property of the 98Cent Clearance Center, I.D. No. 2/230-007 in the amount of \$78,069 be upheld.

00-49E HEARING NO. 17 – KIETEK INTERNATIONAL INC. PERSONAL PROPERTY I.D. NO. 2/503-000

A Petition for Review of Assessed Valuation received from Kietek International Inc. protesting taxable valuation on personal property located at 4673 Aircenter Circle, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Personal Property Declaration, Exhibit A, and Placer County (California) Business Property Statement, Exhibit B.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, on motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that, due to a reporting error whereby the Petitioner reported personal property to Washoe County that was located in Rocklin, California and was reported to the Placer County Assessor, it was ordered that the taxable value of personal property of Kietek International, Inc. I.D. No. 2/503-003 be reduced from \$705,203 to \$696,100. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-50E HEARING NO. 20 – OLEN J. WILFORD CONSTRUCTION CO. PERSONAL PROPERTY I.D. NO. 2/174-145

A Petition for Review of Assessed Valuation received from Olen J. Wilford Construction Company protesting taxable valuation on personal property located at 501 Dermody Way, Sparks, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Sales Documents, Exhibit A.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that, due to a reporting error whereby personal property that was disposed of through auction/sale was erroneously included in the Personal Property Declaration, it was ordered that the taxable value of personal property of Olen J. Wilford Construction Company, I.D. No. 2/174-145 be reduced from \$777,411 to \$385,086. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-51E HEARING NO. 55 – D & S AUTO TRUCK DISMANTLERS PERSONAL PROPERTY I.D. NO. 2/130-099

A Petition for Review of Assessed Valuation received from D & S Auto Truck Dismantlers protesting taxable valuation on personal property located at 1705 Marietta Way, Sparks, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property.

The Petitioner was not present and submitted Personal Property Declaration, Exhibit A, and Depreciation Schedule, Exhibit B.

Following a review by Mr. Sokol, and an explanation for a recommended reduction, based on the FINDING that D & S Auto Truck Dismantlers had "good cause" for not returning the Personal Property Declaration because their CPA passed away in June, 1999, on motion by Member Fox, seconded by Member Obester, which motion duly carried, with Member McCormick voting "no," it was ordered that the taxable value of personal property of D & S Auto Truck Dismantlers, I.D. No. 2/130-099 be reduced from \$200,754 to \$191,000. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-52E HEARING NO. 67 – PEPPERMILL HOTEL CASINO PARCEL NO. 019-250-14

A Petition for Review of Assessed Valuation received from the Peppermill Hotel Casino protesting taxable valuation on personal property located at 2707 South Virginia, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property. He advised that this appeal is for the 2000/01 personal property value since it is taxpayer's choice to be taxed along with the real estate; that the taxpayer contends numerous reporting errors and submitted to the Assessor's office approximately 140 pages of their fixed asset listing; and that, after reviewing the complete asset listing and summary sheets, the Assessor is recommending a reduction with which the representative of the Peppermill is in agreement.

The Petitioner was not present and submitted Agency Agreement, Exhibit A.

Following discussion, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that, due to reporting errors substantiated by the Petitioner and the subsequent removal of items reported as personal property that were also included in the valuation of the land and improvements, it was ordered that the taxable value of personal property for the 2000/01 tax roll for the Peppermill Hotel/Casino, APN No. 019-250-14, be reduced from \$34,828,449 to \$24,325,552, as recommended by the Assessor with concurrence of the Petitioner. The Board made the finding that the personal property would then be correctly valued and the total taxable value does not exceed full cash value.

00-53E HEARING NO. 68 – PEPPERMILL HOTEL CASINO PERSONAL PROPERTY 2/700-046

A Petition for Review of Assessed Valuation received from the Peppermill Hotel Casino protesting taxable valuation on personal property located at 2707 South Virginia, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and advised that this item represents the 1999/2000 supplemental bill; that it was determined in the previous hearing (no. 67) that the Peppermill over reported the personal property; and that due to the removal of the reported items, there would be no supplemental bill, which would necessitate an adjustment regarding same.

The Petitioner was not present.

Based on the FINDING that the removal of items report as personal property in the previous hearing would not result in a supplemental bill for personal property, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that the 1999/00 taxable value of personal property of the Peppermill Hotel Casino, I.D. No. 2/700-046 be reduced from \$7,825,534 to \$ - 0 -.

00-54E HEARING NO. 83 – SHEEHAN-WENETA SPORTS, INC. PERSONAL PROPERTY I.D. NO. 2/291-031

A Petition for Review of Assessed Valuation received from Sheehan-Weneta Sports Inc. protesting taxable valuation on personal property located at 1200 Wells Avenue, Reno, Washoe County, Nevada, was set for consideration at this time.

Thomas Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheets, Exhibit I, and oriented the Board as to the location of subject property. Mr. Sokol advised that the subject business location was closed prior to the July 1, 1999 lien date and the personal property was included in the valuation of Bobo's Mogul Mouse located at 515 E. Moana.

The Petitioner was not present and no exhibits were submitted.

Based on the FINDING that double taxation of personal property needs to be removed due to the closure of the business prior to the July 1, 1999 lien date and the inclusion of the personal property in the valuation of Bobo's Mogul Mouse, as evidenced by the Assessor and the Petitioner, on motion by Member Nadel, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of personal property of Sheehan-Weneta Sports, I.D. No. 2/291-031 be reduced from \$29,054 to \$ - 0 -.

MINUTES

On motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the minutes of the meeting of February 9, 2000 be approved.

PUBLIC COMMENTS

Chairman O'Brien commented that it would be helpful, especially on large, complex properties, if the Board could be provided with the available information ahead of time. Senior Appraiser Churchfield advised that sometimes information is not available until the day before the hearing; but that the Assessor's office will try to get information to the Board sooner when possible.

* * * * *

5:45 p.m. There being no further hearings or business to come before the Board, the Board recessed until Thursday, February 24, 2000, at 9:00 a.m.

JAMES O'BRIEN, Chairman
Washoe County Board of Equalization

ATTEST: AMY HARVEY, County Clerk

**BOARD OF EQUALIZATION,
WASHOE COUNTY, NEVADA**

THURSDAY

9:00 A.M

FEBRUARY 24, 2000

PRESENT:

James O'Brien, Chairman
Marcia McCormick, Vice Chairman
F. Ronald Fox, Member
David Nadel, Member
John Obester, Member

Amy Harvey, County Clerk
Betty Jo Vonderheide, Chief Deputy County Clerk
Paul Lipparelli, Deputy District Attorney
Leslie Admirand, Deputy District Attorney
John Faulkner, Chief Appraiser

The Board met pursuant to a recess taken on February 23, 2000, in the Auditorium of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Chairman O'Brien, the Clerk called the roll, and the Board conducted the following business:

9:00 A.M. - BLOCK 1

00-55E HEARING NO. 101 – INTER-TEL, INCORPORATED PARCEL NO. 160-620-04

A petition for Review of Assessed Valuation received from Inter-Tel, Incorporated protesting taxable valuation on improvements, zoned PUD, and designated Commercial, located at 885 Trademark Drive, Reno, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 9, and oriented the Board as to the location of subject property. Appraiser Mumm stated that based on a physical inspection of subject, he is recommending the improvement value be reduced because 2,700 square feet of the building is a shell only with no interior finish; that he has discussed his recommendation with the Petitioner; and that the Petitioner is in agreement with the new value.

The Petitioner was not present.

The Chairman closed the hearing.

Based on the FINDINGS that a physical inspection of subject conducted by the Assessor revealed that 2,700 square feet of the building is a shell only with no interior finish and that the Appellant is in agreement with the recommended reduction, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that the taxable value of improvements on Parcel No. 160-620-04 be reduced to \$7,197,958. The Board found that the new taxable value is the correct value and that the total taxable value does not exceed fair market value.

00-56E HEARING NO. 40 – GEORGE BARTA HIDE COMPANY PARCEL NO. 012-231-26

A petition for Review of Assessed Valuation received from the George Barta Hide Company, Leslie P. Barta, et al, protesting taxable valuation on land and improvements, zoned IC, and designated Commercial, located at 280 East Greg Street, Reno, Washoe County, Nevada, was set for consideration at this time.

Ron Sauer, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 59, Photographs (6) of Subject, Exhibit II, and Floor Plan, Exhibit III, and oriented the Board as to the location of subject property.

Les Barta, Petitioner, was sworn, submitted Petitioner's Summary of Appeal and Correspondence, Exhibit A, Briefs, Exhibit B, and MAI Appraisals, Exhibit C, and testified that when they purchased subject they knew how much to pay because they knew it would be exactly like other properties they were familiar with, i.e., the Ribeiro properties, they knew the market it was being built for, they knew the construction costs, and they knew very accurately what the income and expenses would be. He referred to a property at 4900 Mill Street and stated that his property is almost exactly the same kind of property and has the same construction costs for the improvements, yet his property is taxed at a higher rate. Petitioner Barta stated that he has given the Board 14 comparable properties, all of which have the same Marshall and Swift characteristics, all of which are the same kind of property and have identical use as subject, and all of which are taxed lower than his; and stated that all he is asking for is that his property be taxed the same as other properties of the same kind. He stated that the land was purchased in 1997 for \$3.10 per square foot; that one the appraisals he submitted confirms that that was the correct price for the property at its highest and best use; that the other appraisal added \$50,000 for site improvement costs, which actually came in at \$34,000; and that if 100 percent of the site improvement costs are added to subject, they should be added to the other similar properties, otherwise it is discriminatory taxation. Mr. Barta stated that he would be willing to concede that the \$34,000 should be added, bringing the land value to \$3.60 per square foot, but nothing has occurred that would justify increasing the land value to \$5.00 per foot.

In response to Chairman O'Brien, Petitioner Barta stated that the Assessor has rated the quality class of subject's improvements higher than like properties; that his property is identical in costs and style of construction as 4900 Mill Street, which has a lower quality class than his; that he cannot get more rent for his property than Ribeiro can for 4900 Mill Street; that the Nevada Revised Statutes require that the same kind of properties be taxed in the same way; and that his property is virtually identical to properties that are taxed lower.

Member McCormick noted that the Assessor's current taxable value is \$2,189,399; that Mr. Barta lists \$2,900,000 on the petition as the owner's opinion of value; and that the Petitioner's value is considerably more than the Assessor's taxable value. Petitioner Barta stated that he is not disputing that the assessed value exceeds full cash value and that it is his contention that his property is not valued the same as other like properties, which is an inequity.

Member Fox asked the Petitioner about the statute, NRS 351.356, on which the appeal is based. Mr. Barta stated that that statute provides that property with identical use and comparable location should be taxed in the same way or the same methodology must be used in determining the taxable value and reiterated his previous statements asserting that the quality class of subject's improvements are not better than other properties. He also elaborated on the Marshall and Swift evaluations of flex warehouses stating that all factors, such as build-out, construction materials, etc., have to be considered, and the Assessor is only using build-out density. Petitioner Barta further stated that his comparable properties also have the same or higher build-out densities, but have been rated at a lower class than his, which is discrimination.

Appraiser Sauer distributed photographs of subject property and stated that the 1999 improvement value of subject was \$1,726,017; that for the 2000 tax roll, the improvement value is \$1,653,614; that the improvement value went down \$72,403; and that was due to changing it from a Loft – 2.0 to a Flex – 3.0. He further stated that the land value went from \$360,500 in 1999 to \$535,785 for the 2000 roll, which is an increase of \$175,285 and based on increasing the land value from \$3.36 per foot to \$5.00 per foot. He further stated that the \$3.36 per foot value was established by the 1996 Board of Equalization; that it was reduced at that time due to inaccessibility, the fact that it had no water, and the inability to sell the property; that that was before the property was sold and the improvements built; and that the land was left at the \$3.36 per foot until the 2000 reappraisal. Appraiser Sauer pointed out that the current taxable value is \$2,189,399; that subject sold in November of 1997 for \$2,840,000; that the current taxable value is 77 percent of the market value for subject property. He then displayed a large map showing the exact location of subject and reviewed his sales of comparable properties and explained the process the Assessor has utilized to change the "loft" buildings to "flex" buildings, noting that the changes will occur in conjunction with the reappraisal cycle. Appraiser Sauer further stated that generally speaking a 2.0 loft will become a 3.0 flex; that that is the assumption he has used in comparing properties; and that the Assessor's office

will be going out and looking at the buildings when they are changed from loft to flex.

Member Fox stated that the Petitioner contends that there are some buildings like his that are being valued differently than his and asked if the Appraiser is saying that that is correct in that some of them will not be changed until their area falls in the reappraisal cycle. Appraiser Sauer stated that that is correct. Chairman O'Brien then asked if all of these within this year's reappraisal area were changed. Appraiser Sauer answered that that was right. Member Fox confirmed that all of the similar properties in the reappraisal area, or in the same general location as subject, have been treated the same with respect to changing from loft to flex. Appraiser Sauer stated that that is correct and added that he and Steve Churchfield, Senior Appraiser, pulled every flex building in this year's reappraisal area and went out and looked at every single one of them; and that they did that on the same day so they would be looking at them in the same light and in the same way.

Member Fox asked if it is common practice of the Assessor's Office, when they have a new classification, to only reclassify the ones within the reappraisal area, noting that it would then take 5 years to reclassify all of them. John Faulkner, Chief Appraiser, responded that it is the policy of the Assessor's Office to do these reclassification cyclically for two reasons: 1) in order to do everything in the reappraisal area equally, and 2) it would be physically impossible to go out and do the entire County all at once because of the workload involved with some of these changes.

Appraiser Sauer then reviewed sales of comparable land, noting that there are some excellent land sales in subject's neighborhood substantiating that the Assessor's taxable value does not exceed fair market value. He also discussed the sale of subject land, which sold in April, 1997, for \$332,200, stating that the Assessor sent out the standard "new construction letter" to the developer upon completion of the building in July, 1998; that the developer responded that in addition to the land costs, the site improvement costs were \$173,746, for a total land cost of \$505,946; that those site improvements included off-site costs of bringing gas and water lines 1,000 feet, installing a left-turn lane off Greg, etc.; and that these kinds of off-site costs must be added to the land value. Appraiser Sauer stated that, according to Marshall and Swift, off-site costs for roads, utilities, etc., are not included in the building costs. He then answered questions of Board members concerning his comparable land sales.

Appraiser Sauer then addressed the value of the improvements explaining the methodology used following the Marshall and Swift guidelines. Chairman O'Brien asked Mr. Sauer if he was familiar with the property at 4900 Mill, pointing out that the Petitioner has stated that it is very similar to subject, but is classed at a 2.5, lower than subject. Appraiser Sauer directed the Board to pages 19 through 21 of his Exhibit I and stated that that is not a comparison of like properties; that 4900 Mill involves 3 buildings, one of which faces Mill Street; that those buildings are a

much simpler design; and that 2 of the 3 buildings are just concrete block walls with no decoration. He also referred the Board to pages 25 and 26 of his Exhibit I wherein he listed his opinion of the quality class of the Petitioner's comparables as well as other quality class 3.0 flex buildings and how they compare to subject and stated that the Assessor has really tried to equalize these properties.

Member McCormick asked the Appraiser if he relied solely on the buildout density to determine quality class. Appraiser Sauer stated that he did not. Member McCormick asked the Appraiser if he believes this property has been treated fairly in relationship with the others that he has reviewed this year. Appraiser Sauer stated that he is very confident that the 3.0 quality class on subject is accurate.

In rebuttal, Petitioner Barta stated that he is disappointed that he does not have more time; that he was not presented with the Assessor's information prior to the hearing; and that he believes much of the information is incorrect. He stressed that the Appraiser says he has this building valued correctly and that he is 100 percent sure that the Appraiser is wrong. He further stated that his building and 4900 Mill have the same construction costs; yet his building has a higher quality class; that his property is classed higher than other properties with identical use; and that the law states that improved land is supposed to be valued according to its use. Mr. Barta reiterated many of his previous statements and emphasized that he objects to most of the information presented by the Assessor, which he has not had a chance to review; and that he believes much of the information is either incorrect or false. He stated that last year the Assessor added the \$173,746 in site improvements to the building to get the construction costs high enough to make their Marshall and Swift evaluation look correct; that this year they are applying it to the land to justify their increase to \$5.00 per square foot; and that this is absolutely incorrect and false information. He further stated that he considers it fraudulent to double charge a property like this. Petitioner Barta reiterated that all he is asking for is that his property be taxed in accordance with NRS 361.356, the same as similar properties with like uses.

Chairman O'Brien asked the Petitioner if his opinion of the quality class of his building should be 2.5. Mr. Barta stated that would be correct to be consistent with the others.

The Chairman closed the hearing.

Member McCormick stated that she has reviewed all of the material presented by the Petitioner and she does recall reviewing this property last year. She further stated that Mr. Barta needs to look at the properties near his; that "identical" means "identical"; and that, most important, she is convinced that the Appraiser's value is fair.

Member Obester stated that the income approach is more valid; that if the income approach was used on subject, the value would be even higher; that

someone has to have the most valuable property; and that he is satisfied with the Appraiser's work.

Member Fox stated that he thinks the Assessor has addressed all the issues raised by Mr. Barta and did not rely solely on the sales data; that the Assessor has demonstrated that he was careful to treat all the properties that are alike the same and in equalization; and that he can not see any reason to change the value.

Chairman O'Brien stated that he disagreed with his fellow Board members; that it is appropriate to add the off-site costs to the land, but he does not think it is appropriate to add site improvement costs; that the Appraiser testified that the land values have been stable over the past few years; that there is a property there that has been marketed for 2 years and has not sold; and that he thinks the land should be around \$4.00 per foot instead of \$5.00. He further stated he is not sure why subject is a 3.0 quality class and everything else is a 2.5.

Based on the FINDINGS that the Assessor has correctly calculated the taxable value and that it does not exceed fair market value as evidenced by both the Assessor and Petitioner, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried with Chairman O'Brien voting "no," it was ordered that the taxable value of land and improvements on Parcel No. 012-231-26 be upheld.

10:30 A.M. – BLOCK 2

00-57E HEARING NO. 39 – WARREN B. RICHARDSON, TRUST, ET AL **PARCEL NO. 083-060-39**

A petition for Review of Assessed Valuation received from Warren B. Richardson, Trust, et al, protesting taxable valuation on land, zoned LDS/MDS/GR, and designated vacant-under development, located at the end of East Fifth Street, Sun Valley, Washoe County, Nevada, was set for consideration at this time.

Josh Wilson, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 8, and oriented the Board as to the location of subject property being a 70.807-acre site at the eastern end of Fifth Street in Sun Valley with an approved tentative map for 120 lots.

W. Mark Richardson, Petitioner, was sworn, submitted an Estimate of Development Costs, Exhibit A, and testified that the development costs are approximately \$23,903 per lot, without the fees for water and sewer hookup, which are over \$9,000; that the costs for utilities comes to \$2,267 per lot, bringing the total development costs to \$35,690 per lot; and that it has turned out that it is just not economically feasible to develop this project. He further stated that they offered the property to other developers for \$750,000 and received no offers, interest, or counter offers.

Appraiser Wilson described subject and the surrounding area, and reviewed sales of comparable properties which substantiated the Assessor's taxable value. He further stated that the Petitioner's development costs include a 25 percent contingency and he reviewed the figures both with and without that contingency; that all lots in Sun Valley are zoned with TR (mobile home) Overlay, which the comparables do not have; and that individual lots in Sun Valley are going for \$52,000 to \$57,000. Appraiser Wilson then answered questions of Board members.

In rebuttal, Petitioner Richardson reiterated that with these high development costs it is just not economically feasible to move forward with developing this subdivision. He stated that the only way it would work would be if they could build the homes for \$56.00 per foot and that Lifestyle Homes, the other developer who is building many homes in Sun Valley, says his average costs are about \$80.00 per foot for the homes. Chairman O'Brien asked the Petitioner if he would sell the property for \$750,000. Mr. Richardson responded that he would take that in a heartbeat.

The Chairman closed the hearing.

Members McCormick and O'Brien stated that while the Assessor's comparable sales do substantiate the value, they feel subject is valued too high. Member Fox stated that having the mobile home overlay zoning typically adds a lot of value to property, but it may well be that the development costs are just too high. Chairman O'Brien suggested that \$8,000 per lot would be closer to market value.

Based on the FINDINGS that taxable value does exceed fair market value as evidenced by the Petitioner, on motion by Member Nadel, seconded by Member Obester, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 083-060-39 be reduced to \$960,000. The Board made the finding that the new land value is the correct value.

00-58E HEARING NO. 98 – FARMERS & MERCHANTS TRUST COMPANY OF LONG BEACH - PARCELS NOS. 038-621-04, -39, -51 thru -59, 038-622-19 THRU -30, 038-624-01 thru -05, 038-625-06, 038-625-08 thru -15, -17, 038-626-01 thru -05, 038-626-07 thru -10, -13, 038-627-01 thru -08, 038-628-01 thru -10, 038-631-01 thru -05, 038-631-11 thru -14, 038-632-01, -02, -04, -16, 038-633-01 thru -06, -14, -15, 038-634-01, 038-634-03 thru -06, -09, 038-634-13 thru -17, 038-635-02 thru -08, 038-636-01, -03, 038-625-07, and -16

A petition for Review of Assessed Valuation received from the Farmers & Merchants Trust Company protesting taxable valuation on land, zoned LDU, and designated vacant, located in the Glen Meadows Subdivision, Verdi, Washoe County, Nevada, was set for consideration at this time.

Keith Stege, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 4, and Assessor's Recommended Values,

pages 5 through 10, and oriented the Board as to the location of subject property. Appraiser Stege stated that subject property is a group of 109 parcels of vacant residential lots located in Glen Meadows Village in Verdi; that these parcels were recently foreclosed on; that there is a current sale in escrow for approximately \$38,000 per lot; that because of the pending escrow, the Assessor is recommending reducing the values; and that the recommended land values are shown on pages 5 through 10 of his handout.

Daniel K. Webster, Petitioner, was sworn, submitted Petitioner’s Letter, Exhibit A, and testified that he is in agreement with the Assessor’s recommendation.

The Chairman closed the hearing.

Member Obester questioned whether a foreclosure sale is a good indication of value and stated that he just does not feel right about the values.

Based on the FINDINGS that taxable value does exceed fair market value as evidenced by the Assessor’s comparable sales and the Petitioner’s pending sale of subject, on motion by Member Fox, seconded by Member Nadel, which motion duly carried with Member Obester abstaining, it was ordered that the taxable value of the land on subject parcels be reduced as shown below. The Board found that the new values are the correct values.

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-621-04	44,000.00	15,440.00	39,600.00	13,860.00
038-621-39	44,000.00	15,400.00	39,600.00	13,860.00
038-621-51	44,000.00	15,400.00	39,600.00	13,860.00
038-621-52	44,000.00	15,400.00	39,600.00	13,860.00
038-621-53	44,000.00	15,400.00	39,600.00	13,860.00
038-621-54	44,000.00	15,400.00	39,600.00	13,860.00
038-621-55	58,000.00	20,300.00	52,200.00	18,270.00
038-621-56	44,000.00	15,400.00	39,600.00	13,860.00
038-621-57	44,000.00	15,400.00	39,600.00	13,860.00
038-621-58	44,000.00	15,400.00	19,600.00	13,860.00
038-621-59	46,000.00	16,100.00	41,400.00	14,490.00

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-622-19	37,000.00	12,950.00	33,300.00	11,655.00
038-622-20	37,000.00	12,950.00	33,300.00	11,655.00
038-622-21	37,000.00	12,950.00	33,300.00	11,655.00
038-622-22	37,000.00	12,950.00	33,300.00	11,655.00
038-622-23	37,000.00	12,950.00	33,300.00	11,655.00
038-622-24	37,000.00	12,950.00	33,300.00	11,655.00
038-622-25	36,000.00	12,600.00	32,400.00	11,340.00
038-622-26	36,000.00	12,600.00	32,400.00	11,340.00
038-622-27	36,000.00	12,600.00	32,400.00	11,340.00
038-622-28	36,000.00	12,600.00	32,400.00	11,340.00
038-622-29	36,000.00	12,600.00	32,400.00	11,340.00
038-622-30	36,000.00	12,600.00	32,400.00	11,340.00
038-624-01	36,000.00	12,600.00	32,400.00	11,340.00
038-624-02	36,000.00	12,600.00	32,400.00	11,340.00
038-624-03	36,000.00	12,600.00	32,400.00	11,340.00
038-624-04	36,000.00	12,600.00	32,400.00	11,340.00
038-624-05	48,000.00	16,800.00	43,200.00	15,120.00
038-625-06	55,000.00	19,250.00	49,500.00	17,325.00
038-625-07	65,000.00	22,750.00	58,500.00	20,475.00
038-625-08	52,000.00	18,200.00	46,800.00	16,380.00
038-625-09	52,000.00	18,200.00	46,800.00	16,380.00
038-625-10	52,000.00	18,200.00	46,800.00	16,380.00
038-625-11	52,000.00	18,200.00	46,800.00	16,380.00
038-625-12	42,000.00	14,700.00	37,800.00	13,230.00

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-625-13	42,000.00	14,700.00	37,800.00	13,230.00
038-625-14	42,000.00	14,700.00	37,800.00	13,230.00
038-625-15	42,000.00	14,700.00	37,800.00	13,230.00
038-625-16	52,000.00	18,200.00	46,800.00	16,380.00
038-625-17	52,000.00	18,200.00	46,800.00	16,380.00
038-626-01	42,000.00	14,700.00	37,800.00	13,230.00
038-626-02	42,000.00	14,700.00	37,800.00	13,230.00
038-626-03	42,000.00	14,700.00	37,800.00	13,230.00
038-626-04	42,000.00	14,700.00	37,800.00	13,230.00
038-626-05	44,000.00	15,400.00	39,600.00	13,860.00
038-626-07	42,000.00	14,700.00	37,800.00	13,230.00
038-626-08	42,000.00	14,700.00	37,800.00	13,230.00
038-626-09	42,000.00	14,700.00	37,800.00	13,230.00
038-626-10	42,000.00	14,700.00	37,800.00	13,230.00
038-626-13	48,000.00	16,800.00	43,200.00	15,120.00
038-627-01	56,000.00	19,600.00	50,400.00	17,640.00
038-627-02	44,000.00	15,400.00	39,600.00	13,860.00
038-627-03	44,000.00	15,400.00	39,600.00	13,860.00
038-627-04	44,000.00	15,400.00	39,600.00	13,860.00
038-627-05	44,000.00	15,400.00	39,600.00	13,860.00
038-627-06	44,000.00	15,400.00	39,600.00	13,860.00
038-627-07	44,000.00	15,400.00	39,600.00	13,860.00
038-627-08	58,000.00	20,300.00	52,200.00	18,270.00
038-628-01	44,000.00	15,400.00	39,600.00	13,860.00

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-628-02	42,000.00	14,700.00	37,800.00	13,230.00
038-628-03	42,000.00	14,700.00	37,800.00	13,230.00
038-628-04	42,000.00	14,700.00	37,800.00	13,230.00
038-628-05	44,000.00	15,400.00	39,600.00	13,860.00
038-628-06	44,000.00	15,400.00	39,600.00	13,860.00
038-628-07	42,000.00	14,700.00	37,800.00	13,230.00
038-628-08	42,000.00	14,700.00	37,800.00	13,230.00
038-628-09	42,000.00	14,700.00	37,800.00	13,230.00
038-628-10	58,000.00	20,300.00	52,200.00	18,270.00
038-631-01	60,000.00	21,000.00	54,000.00	18,900.00
038-631-02	44,000.00	15,400.00	39,600.00	13,860.00
038-631-03	44,000.00	15,400.00	39,600.00	13,860.00
038-631-04	44,000.00	15,400.00	39,600.00	13,860.00
038-631-05	44,000.00	15,400.00	39,600.00	13,860.00
038-631-11	44,000.00	15,400.00	39,600.00	13,860.00
038-631-12	44,000.00	15,400.00	39,600.00	13,860.00
038-631-13	44,000.00	15,400.00	39,600.00	13,860.00
038-631-14	60,000.00	21,000.00	54,000.00	18,900.00
038-632-01	53,000.00	18,550.00	47,700.00	16,695.00
038-632-02	44,000.00	15,400.00	39,600.00	13,860.00
038-632-04	39,000.00	13,650.00	35,100.00	12,285.00
038-632-16	36,000.00	12,600.00	32,400.00	11,340.00
038-633-01	39,000.00	13,650.00	35,100.00	12,285.00
038-633-02	49,000.00	17,150.00	44,100.00	15,435.00

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-633-03	49,000.00	17,150.00	44,100.00	15,435.00
038-633-04	39,000.00	13,650.00	35,100.00	12,285.00
038-633-05	39,000.00	13,650.00	35,100.00	12,285.00
038-633-06	39,000.00	13,650.00	35,100.00	12,285.00
038-633-14	39,000.00	13,650.00	35,100.00	12,285.00
038-633-15	39,000.00	13,650.00	35,100.00	12,285.00
038-634-01	60,000.00	21,000.00	54,000.00	18,900.00
038-634-03	39,000.00	13,650.00	35,100.00	12,285.00
038-634-04	39,000.00	13,650.00	35,100.00	12,285.00
038-634-05	39,000.00	13,650.00	35,100.00	12,285.00
038-634-06	39,000.00	13,650.00	35,100.00	12,285.00
038-634-09	44,000.00	15,400.00	39,600.00	13,860.00
038-634-13	39,000.00	13,650.00	35,100.00	12,285.00
038-634-14	39,000.00	13,650.00	35,100.00	12,285.00
038-634-15	39,000.00	13,650.00	35,100.00	12,285.00
038-634-16	39,000.00	13,650.00	35,100.00	12,285.00
038-634-17	56,000.00	19,600.00	50,400.00	17,640.00
038-635-02	37,000.00	12,950.00	33,300.00	11,655.00
038-635-03	37,000.00	12,950.00	33,300.00	11,655.00
038-635-04	37,000.00	12,950.00	33,300.00	11,655.00
038-635-05	35,000.00	12,250.00	31,500.00	11,025.00
038-635-06	35,000.00	12,250.00	31,500.00	11,025.00
038-635-07	35,000.00	12,250.00	31,500.00	11,025.00
038-635-08	35,000.00	12,250.00	31,500.00	11,025.00

PARCEL NUMBER	CURRENT TAXABLE	CURRENT ASSESSED	NEW TAXABLE	NEW ASSESSED
038-636-01	52,000.00	18,200.00	46,800.00	16,380.00
038-636-03	37,000.00	12,950.00	33,300.00	11,655.00
TOTALS	4,722,000	1,652,700	4,249,800	1,487,430
AMOUNT OF DECREASE			472,200	165,270

00-60E HEARING NO. 96D – LOEB ENTERPRISES, LLC PARCEL NO. 522-133-01

A petition for Review of Assessed Valuation received from Loeb Enterprises, LLC, protesting taxable valuation on land, zoned PD, and designated Vacant-SN, located on Vista Boulevard, Sparks, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor’s Fact Sheet(s) and Maps, Exhibit I, pages 1 through 4, oriented the Board as to the location of subject property, and stated that subject is a 2.745-acre parcel; that subject has a 2:1 slope and a high pressure gas line easement that runs across the entire length of the back of the parcel; that they are estimating that only 3 possible building sites could be developed; and that the Assessor is recommending that the value be reduced to \$15,000 per site or \$45,000 for subject property. Appraiser Mumm further stated that the Petitioner is in agreement with the recommended value.

The Petitioner was not present, but submitted a Letter indicating Agreement with the Assessor’s Recommendation, Exhibit A.

The Chairman closed the hearing.

Based on the FINDINGS that the buildability of subject is adversely affected by sloping topography and an easement as evidenced by the Assessor, on motion by Member Nadel, seconded by Member McCormick, which motion duly carried, it was ordered that the taxable value of land on Parcel No. 522-133-01 be reduced to \$45,000. The Board made the finding that the new value is the correct value and that it does not exceed full cash value.

* * * * *

12:00 noon The Board recessed.

1:30 p.m. The Board reconvened with all present as in the morning with Leslie Admirand replacing Paul Lipparelli as the Board's Legal Counsel.

* * * * *

1:30 P.M. – BLOCK

00-61E HEARING NO. 73 - M. ABUL K. & ARIFA Y. BHUIYA PARCEL NO. 017-122-13

A petition for review of taxable valuation of land of \$71,000 [owner opinion - \$45,000] and building of \$5,358 [owner opinion - \$2,000] concerning the above-entitled matter, located at 15330 Pinion Road, Reno, Washoe County, Nevada, was set for consideration at this time.

Keith Stege, appraiser, duly sworn, presented Exhibit I—Fact Sheet, Maps, Income & Excerpt from the District Health Regulations, and advised that the building portion is the utility improvements to this property which accommodates a mobile home sited on the property. He stated that the parcel is 2.01 acres on Toll Road south of Virginia Hills and the home is valued as personal property.

M. Abdul K. Bhuiya, petitioner, was sworn and presented his exhibits as follows: A—Petitioner Presentation, B—Letters from Realtors & Listing, C—Reports on Subject & Comps, and D—Additional Sales. Because of his language limitations, Mr. Bhuiya read Exhibit A verbatim into the record. This included the estimated cost for developing the property, the difficulty in accessing the property making it difficult to sell, his comparable sales in the Pinion Drive area, and assessment of the value of his property by three real estate companies, which he presented in full detail.

Appraiser Stege advised that the District Health Department requires one acre per septic system in this area. He said that this is valued as two sites, the other one is the area to be improved and any additional land is to be valued as vacant. He noted that the comparable sales he has used are not available for more than one site and subject is one site plus one potential less development costs. He added that he reviewed this with petitioner from time to time over the last few weeks. He stated that this excess land policy is the same throughout the County. He further noted that the water rights are grandfathered in, but that for the second improvements, it would cost him \$6,000. Mr. Bhuiya said that adding another mobile home would defeat his intention to retain it as only one site, and he has no reason to do that.

After Chairman O'Brien closed the hearing, the Board members discussed the proper way that this should be valued. Member Fox posed whether it should be valued for its full potential or just as the one site. Member Nadel stated that he believes it is appropriate the way the Assessor has valued this property.

Chairman O'Brien stated that he does not think it is appropriate to value it as two lots because of the potential. Member Fox noted that the methodology used by Appraiser Keith Stege is appropriate as excess land does have a value. Member McCormick pointed out that there were others that were considered, though not developed at this time, and were not further reduced.

Following discussion, Member Nadel moved that the land value be reduced to \$55,000 retaining improvement value for a total of \$60,358 based on evidence presented by petitioner. There was no second to the motion and it failed.

On motion by Member Fox, seconded by Member Obester, which motion duly carried with Members Nadel and O'Brien voting "no," it was ordered that based on evidence presented by the Assessor and the Petitioner, the land value be reduced to \$66,000 in allowance for the poor access reducing its marketability. The Board made the finding that the land and improvements are now valued correctly.

00-62E HEARING NO. 37 – GARY SCHMIDT PARCEL NO. 48-070-10

A petition for review of taxable valuation of land at \$140,000 [owner opinion - \$55,000] and building of \$10,150 [owner opinion - \$5,000] on the above entitled matter was set for consideration at this time. It was noted that this is being used for a parking lot located on Mt. Rose Highway in Washoe County, Nevada.

Ron Shane, appraiser, duly sworn, advised that subject property is a 5-acre parcel zoned MDSGR and its present use is as a resort. He presented Exhibit I—Fact Sheet, Maps, which he used to locate the property for Board members advising that the subject is on the other side of the highway from Reindeer Lodge, which is the location where petitioner resides.

Gary Schmidt, petitioner, was sworn and requested that Members Fox and McCormick excuse themselves from the hearing because of Member Fox's former employment in the Assessor's office and Member McCormick's action as Chair in previous petitions by him. Leslie Admirand, Deputy District Attorney and Legal Counsel to the Board, stated that in her review of the situation, she does not believe there is sufficient reason for either one to not participate in the hearing. Member Fox stated that he will nevertheless excuse himself from the procedure in accordance with Mr. Schmidt's wishes. Member McCormick advised that she will remain as she simply has not been persuaded by Mr. Schmidt in his previous hearings before the Board.

Appraiser Shane advised that he has a recommendation to reduce the taxable value of land to \$100,000.

Mr. Schmidt alluded to a map with the property of his neighbor, Mr. Schoenfeld highlighted in yellow—which he is submitting as Exhibit A. An Appraisal Report—Exhibit D, an Executive Summary—Exhibit B, and a Computer Photo—Exhibit C [which was submitted by the Appraiser but marked as Petitioner's exhibit], were

also submitted. Additionally, Mr. Schmidt presented a video which was not accepted for the record as the Board was unable to view it at this time.

He then addressed Exhibit A, the map, showing that on the map is a 5-acre parcel which has an easement across the front which is 2/3 of an acre. He added that the parcel in the right hand corner is a most recent sale and sold for \$34,000 though on the market for over two years and it was an arms length sale. He said all of the parcels are basically undeveloped and he would incorporate by reference the last year value of \$120,000. He noted that Parcel 5 was also approved and representative of the petitioner and Board based on Chris Mumm's false testimony that parcels in this area could be developed into one acre parcels on septics. He added that there is a certain amount of negative reflection on the value of the residence as there are three acres of dilapidated asphalt and the value of that land should be taken at \$70,000. He said the value was based on two things: 1) that it could be divided and parcel 5 could sell for more; 2) it is undisputed that the parcel cannot be divided.

He advised that at a hearing before the Board of County Commissioners it was testified that parcels out there may not be subdivided if a septic system were to be used. He advised that the sewer cost estimate of \$1,000,000 has been indicated. He noted that the likelihood is that no parcels will be divided on Mt. Rose without hookup to the sewer regardless of the zoning.

Appraiser Shane stated that because issues are extremely contentious, he will give a detailed account of what's occurring. He noted that no intentional false testimony has come out of the Assessor's office as they do 130,000 parcels in a five-year cycle so each parcel does not get as much attention from the Assessor as the owner. He then described the pictures of the subject property, marked Petitioner Exhibit C, to give a sense of identity. He stated that they are done in a counter clockwise direction in general with an eastern shot. He noted that this will give Board members some sense of the property underneath 12,000 feet. He indicated that the asphalt looked to be in good condition although it does not have any value and, in order to have the \$10,150, it was treated as such. He stated that he wants to show the sales in 1997 and occurrences in the market with property around the subject. He then reviewed the sales, some very close and very similar, and also very different. He noted sale No. 4 in May of 1999 of \$65,000, a .498-acre parcel, in Sunridge Subdivision. He advised there were two very large sales and two very small sales and there are extremes on either side and the value is somewhere in between those two extremes.

He then reviewed restrictions in building considering the water situation and regarding fixture units allowed as explained by Terry Svetich at a meeting before the Board of County Commissioners. It was noted that this restriction is to limit nitrate (sewage) disposal on the watershed. In addressing the sewer line, it was noted that currently it is about 10,000 to 11,000 feet and is near Mt. Rose Ski Resort, and the intention is to bring it up the mountain. Mr. Shane stated that there may be some problem there and the real cost will be in the building.

In response to Chairman O'Brien, he advised that what was considered was a parcel with one potential single family residence primarily as a site under current 25-fixture unit requirements. He added that the second consideration was acreage and the 4th was value per site. He then validated his value per acre.

Mr. Schmidt stated that, in appealing the value of development, the \$10,150 is okay with him, but that he is not aware of the \$65,000 sale. He noted that the cost of bringing phone lines, roads, etc., would negate the whole purchase price. He said that additionally, on the listing east of his parcel, although previously appraised at a higher value, there was a reduction to \$99,900 by Mr. Shane including \$10,000 water rights. He stated that the real price is \$90,000.

He advised that this does not reflect market value and they are under the misconception of splitting that into two one-acre parcels. He advised that actual consideration is given to building a house on that, but there is no intention to do so. In anticipation of questions, Mr. Schmidt talked about Tannenbaun advising that that property is downzoned. He said that he has 4 civil actions against the County and has well over \$100,000 in expense and litigation in regard to the downzoning. He advised that he has spoken to a commercial realtor in regard to that concerning his ongoing litigation against the County.

Upon closing the hearing, Chairman O'Brien advised that he believes the Assessor has done a good job as this valuation falls in the middle of larger and smaller. He noted that eventually the sewer will go up. Member McCormick concurred and Member Nadel, stated that he has a problem with the potential time realized but that the potential is a reality in this particular case. Member Obester stated that he would consider a value of \$75,000 on the land.

Following discussion, on motion by Member Nadel, seconded by Chairman O'Brien, which motion duly carried with Member Obester voting "no" and Member Fox not participating, it was ordered that the Assessor's recommendation to reduce the valuation of land to \$100,000 be approved, based on comparable sales authenticating that it falls within fair market value. The Board made the finding that the land and improvements are valued correctly.

**00-63E HEARING NO. 34 – ERNEST H. JR. & GRACE SCHOENFELD –
PARCEL NO. 048-070-11**

A petition for review of taxable valuation of land of \$200,000 [owner opinion - \$90,000] filed by the above-entitled petitioner for the stated parcel, located on Mt Rose Highway in the southwest portion of Washoe County, Nevada, was set for consideration at this time.

Ron Shane, appraiser, duly sworn, advised that this is adjacent to the previously considered parcel. He presented Exhibit I—Fact Sheet, Maps, and a recommendation for reduction to \$150,000 on this vacant parcel, noting that petitioner does not agree to the recommendation.

Bud Schoenfeld, Petitioner, was sworn and advised that Lot 5 in the northeast corner as shown on Exhibit A, and of the 6 lots, it is the best lot in the group. He noted that his parcel is the highlighted one on that same exhibit. Exhibit B—Executive Summary, Exhibit C—Photograph submitted by the Assessor but marked as petitioner exhibit, and Exhibit D—Residential Appraisal Record were placed into the record. He advised that he had preliminary plans for 30 units but that it now depends on the sewer. He mentioned the cost in building an access to his from the present access on Mr. Schmidt's property, stressing the severity of the slope, but that is why he placed that easement on his property for roads and utilities. He noted that he has probably 600 to 700 feet to place a house as only one is admissible. He pointed out that Lot 5 has 400 feet and somewhat easy access and he cannot believe his property is worth three times more than that lot. Next he advised that he will incorporate by reference Mr. Schmidt's comments concerning Ms. Svetich's testimony regarding the sewer line. He emphasized the three-acre slope which was originally used for a ski area.

He addressed Rosemont Water Company, a corporation which he has will-serve letters from with a potential to serve 100 homes. He said that if you sit at Christmas Tree and look south, there are some springs developed and if you develop these properties, he would have to develop the rights also.

Appraiser Shane stated that in appraising this property he used basically the same logic and the same comparisons as in the previous hearing. The difference is that this is larger and comprises 10.73 acres. He advised that the relationship with potential has to be considered. He noted that Sale 1, a 77-acre parcel, also has its own problems, and there is nothing about subject that is worse than any of the other parcels. He noted that the data is indicating that \$150,000 is a reasonable value.

Mr. Schoenfeld reiterated that consideration must be to what the property is worth today. Member Fox inquired of him if, at the time he bought the property, was he not looking at the potential rather than just maintaining it as it is. Mr. Schoenfeld agreed that he considered what could be done in the future. Mr. Fox then noted that Parcel 5, which Mr. Schoenfeld noted as most comparable, certainly does not have the same potential. Mr. Fox advised that the economic value has to be considered and Mr. Schoenfeld stated that he is aware of the potential. Mr. Fox then continued that in most every instance when someone buys a vacant parcel, the future potential is a consideration. Mr. Schoenfeld stated that he does not see where his parcel should be more than Mr. Schmidt's. He was told it was because of the size. He responded that the buildable area is three acres and if no sewer goes up there, the allowance is only one lot. It was pointed out that this is a better area and the view is better at this higher elevation.

Following Chairman O'Brien closing the hearing, Member Obester said that today this is being valued as one home site whether it is larger or not. Member Fox advised that parcel 10 was valued at \$100,000 and the Assessor is recommending a value of \$150,000 on parcel 11; that if it is assumed that the

potential is the same, an adjustment of size is applicable. He added that subject is twice the size of Mr. Schmidt's parcel and the appraiser is recommending a value 50% over Mr. Schmidt's valuation, not doubling, and that is not out of reason. He also noted that the easement across Mr. Schmidt's parcel enhances Mr. Schoenfeld's.

Following discussion, on motion by Member Nadel, seconded by Member Fox, which motion duly carried with Chairman O'Brien and Member McCormick voting "no," it was ordered that the taxable valuation on land be reduced to \$150,000. Based on evidence presented and the recommendation of the Assessor, considering the usability of the site as logic for the reduction, the Board made the finding that the land is now valued correctly.

00-64E HEARING NO. 106 – ROGER AND MARIE BROWN – PARCEL NO. 035-300-34

A petition for review of taxable valuation of land of \$67,000 [owner opinion - \$58,000] filed by the above-entitled petitioners for the indicated parcel, located at 3360 Martini Road, being a vacant parcel, in Sparks, Washoe County, Nevada, was set for consideration at this time.

Barbara Keller, appraiser, duly sworn, advised that the subject lot is very steep, and she is recommending a reduction to the petitioner's sales price of \$58,000, which has been verified. She advised that in contacting the Browns, they agree. Petitioner's exhibits as well as the Assessor's were placed on file.

On motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that the taxable valuation be reduced to \$58,000, based on the sales price of the property. The Board made the finding that this parcel is now valued correctly.

* * * * *

4:25 p.m.

There being no further business to come before the Board, the meeting recessed until Monday, February 28, 2000, at 9:00 a.m.

JAMES O'BRIEN, Chairman
Washoe County Board of Equalization

Attest:
AMY HARVEY, County Clerk

**BOARD OF EQUALIZATION,
WASHOE COUNTY, NEVADA**

MONDAY

9:00 A.M.

FEBRUARY 28, 2000

PRESENT:

James O'Brien, Chairman
Marcia McCormick, Vice Chairman
F. Ronald Fox, Member
David Nadel, Member
John Obester, Member

Betty Jo Vonderheide, Chief Deputy County Clerk
Leslie Admirand, Deputy District Attorney
Steve Churchfield, Senior Appraiser

The Board met pursuant to a recess taken on February 24, 2000, in the Auditorium of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Chairman O'Brien, the Clerk called the roll, and the Board conducted the following business:

9:00 A.M. - BLOCK

00-65E ROLL CHANGE REQUESTS - DECREASES

Following discussion, on motion by Member McCormick, seconded by Member Nadel, which motion duly carried, it was ordered that Roll Change Requests Nos. 93 through 96 resulting in decreases to the 1999/2000 unsecured/secured roll, except for No. 95 which affected the 1999 supplemental roll (improvements only), be approved for the reasons stated thereon. Steve Churchfield, Senior Appraiser informed the Board that No. 97 was withdrawn at the property owner's request.

**00-66E HEARINGS (SEE BELOW PARAGRAPH) – FHR CORPORATION dba
FLAMINGO HILTON RENO**

A petition for Review of Assessed Valuation received from FHR Corporation dba Flamingo Hilton Reno protesting taxable valuation on land and improvements on the following ID and Parcel numbers: ID# 2/287-015 (Hrg 102); and Parcel Nos. 11-032-08 (Hrg. 103A); 11-032-29 (Hrg 103B); 11-032-30 (Hrg 103C); 11-032-31 (Hrg 103D); 11-051-10 (Hrg 103E); 11-051-11 (Hrg 103F); 11-051-23 (Hrg 103G); 11-051-24 (Hrg 103H); 11-370-26 (Hrg 103I); 11-370-41 (Hrg 103J), were set for consideration at this time.

Steve Churchfield, Senior Appraiser, duly sworn, stated that late Friday night the Assessor's office received a letter dated February 25, 2000, from Keith Holmes, Vice President and Tax Counsel for Flamingo Hilton Reno (Exhibit A), requesting that these Petitions be withdrawn.

10:30 A.M. BLOCK

MINUTES

On motion by Member Nadel, seconded by Member Fox, which motion duly carried, Chairman O'Brien ordered that the minutes of the February 17, 2000 meeting, be approved with the recommended change.

00-67E ROLL CHANGE REQUESTS - INCREASES

10:30 a.m. This was the time set in a Notice of Public Hearing to act on increases of assessed valuation, pursuant to notification given to affected taxpayers by certified mailing, and providing an opportunity for anyone to appear concerning the increases.

Chairman O'Brien opened the public hearing and called on anyone wishing to speak regarding such increases on their properties. There being no one present the hearing was closed.

Steve Churchfield, Senior Appraiser, advised the Board that Nos. 42, 50, 52 and 56 have been withdrawn as these were the result of a clerical error and the Assessor's office is handling these parcels separately.

Following discussion, on motion by Member McCormick, seconded by Member Obester, which motion duly carried, Chairman O'Brien ordered that Tax Roll Change Requests Nos. 29, 32 through 34 and Nos. 36 through 84 resulting in increases be approved for the reasons stated thereon.

RCR #29	Bruno Ferrera	021-140-31
RCR #32/33	Mohammad A. Rahman	202-111-53
RCR #34	Hyatt Equities LLC	127-010-09
RCR #36/37	Sierra Bouquet IV	127-560-18
RCR #38/39	John D. & Joyce L. Hejlik	127-560-19
RCR #40/41	Richard C. & Debra R. Olsen	127-570-01
RCR #43	Sierra Bouquet IV	127-570-02
RCR #44/45	Carrel W. & Gayle A. Ewing TR	127-570-04
RCR #46/47	Aaron J. Hsu	127-570-05
RCR #48/49	Kenneth D. & Claudia D. Wolt TR	127-570-06
RCR #51	Sierra Bouquet IV	127-570-07
RCR #53	Sierra Bouquet IV	127-570-08
RCR #54/55	Joseph P. Polizzi	127-570-09
RCR #57	Sierra Bouquet IV	127-570-10
RCR #58/59	Stephanie F. Petrossi	129-650-02
RCR #60/61	Alvin G. & Jacquelyn T. Wheeler	129-650-04
RCR #62/63	Janet J. O'Donnell TR	129-650-12
RCR #64/65	James C. & Irby R. McMichael	129-650-14
RCR #66/67	Robert R. & Lauren A. Ackerman Jr.	129-650-27
RCR #68/69	Douglas R. & Anne M. Murray	129-650-28
RCR #70/71	David E. & Judith T. Collins	129-650-29
RCR #72/73	Paul & Carina Bowman	129-650-32
RCR #74/75	Robert W. & Laura C. Beck	129-650-33
RCR #76/77	Lake Country Development LTD	129-650-34
RCR #78/79	Bryan E. Gordon and Molly M. Kingston	129-650-35
RCR #80	Lake Country Development LTD	129-650-37
RCR #81/82	Albert A. & Judith A. Murolo	129-650-39
RCR #83/84	Lake Country Development LTD	129-650-40

00-68E HEARING NO. 110 – PAUL & LORI CALLAS PARCEL NO. 035-160-02

A petition for Review of Assessed Valuation received from, Paul J. and Lori A. Callas, protesting taxable valuation on land and improvements, zoned Vacant-SN, and designated R1-15, located at 3395 Martini Road, Sparks, Washoe County, Nevada, was set for consideration at this time.

Barbara Keller, Appraiser, duly sworn, submitted Assessor's Fact Sheet and Maps, Exhibit I, pages 1 through 4, and oriented the Board as to the location of subject property. Ms. Keller stated that the Assessor's office is recommending a reduction on the land value and the property owner is in agreement with the reduction.

The Chairman closed the hearing.

Member Fox commented that this is viable excess land and full value should be placed on it. He further stated that the Assessor's office needs to deal with excess land in a consistent manner and believes that this is being done with this parcel.

Based on the FINDINGS that the land was correctly valued, and that total taxable value does not exceed fair market value as evidenced by the Assessor's comparable sales, and on motion by Member Nadel, seconded by Member Fox, which motion duly carried, it was ordered, based upon the recommendation of the Assessor, that the taxable value of land of \$82,160.00 be reduced to \$78,000.00.

* * * * *

10:50 a.m. The Board recessed.

1:30 p.m. The Board reconvened with all members present except Member McCormick.

**00-69E HEARING NO. 69 – CARL W., JR., & FRANCINE A. THOMPSON
PARCEL NO. 033-400-02**

A petition for Review of Assessed Valuation received from Carl W. Thompson, Jr., and Francine A. Thompson protesting taxable valuation on land and improvements, zoned TC, and designated Commercial Hotel, located at 255 North McCarran Blvd., Sparks, Washoe County, Nevada, was set for consideration at this time.

Chris Mumm, Appraiser, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 10, and oriented the Board as to the location of subject property. Appraiser Mumm stated that subject is a 132 unit motel, reviewed sales of comparable properties and the income/expense analysis, both

of which substantiated the Assessor's taxable value of subject, and answered questions of Board members.

The Petitioners were not present. Chairman O'Brien noted that the Petitioners had gone to quite a lot of trouble to reschedule this hearing for today and wondered why they were not here.

The Chairman closed the hearing.

Based on the FINDINGS that taxable value does not exceed fair market value as evidenced by the Assessor, on motion by Member Fox, seconded by Member Nadel, which motion carried 4 to 0 with Member McCormick absent, it was ordered that the taxable value of land and improvements on Parcel No. 033-400-02 be upheld.

00-70E HEARING NO. 9 – DAVID BARKER – LANDRUMS RESTAURANT – I.D. NO. 2/210-120

This was the time set for continuation of Hearing No. 9, David Barker, Landrums Restaurant, from the February 23, 2000, meeting (see Item No. 00-41E).

Tom Sokol, Assistant Chief Deputy Assessor, duly sworn, submitted Assessor's Fact Sheet(s) and Maps, Exhibit I, pages 1 through 6, and oriented the Board as to the location of subject property.

David Barker, Petitioner, previously sworn, submitted a Copy of the 1997/98 Assessment, Exhibit A, and testified that he was able to locate a listing of the equipment in question. Chairman O'Brien asked him if he provided a copy to the Assessor. Mr. Barker stated that he just found it this morning and only has one copy. (The Clerk did not receive a copy for the record.) Mr. Barker further stated that he has not been able to get a copy of his tax return from his CPA.

Chairman O'Brien explained that what the Board was looking for was a breakdown of what was included in the \$25,000 price that the Petitioner paid for the business in March, 1998, especially how much of that was for the personal property.

Petitioner Barker stated that when he bought the restaurant, he assumed a 5-year lease, which has since automatically renewed for another 5 years; that his rent is \$750 per month; that the building is tiny, approximately 800 square feet; and that he also has a licensing agreement to use the name Landrums at 1 percent of his gross sales.

Chairman O'Brien asked if this was an operating business when he purchased it. Petitioner Barker responded that it was and that the previous owner had built the business up pretty well before he got sick.

The Petitioner stated that he is being assessed differently than the previous owner; that he realizes that is partly his own fault for not filling out the declaration form properly; and that the previous owner had purchased the same business in 1994 with the same equipment in it and the assessed value on that owner's 97/98 tax bill was \$1,104. Mr. Barker asked why he was being assessed so much higher when he bought the same equipment noting that this equipment is 15 years old.

Mr. Sokol explained that it was his understanding that the new owner paid \$25,000 for the business; that the sale did not include any land; that the only thing Mr. Barker bought was the equipment and the right to operate an on-going business; and that the basis for the personal property assessment is the original cost of the equipment to the new owner. He further explained that a new depreciation schedule would start at the time of purchase.

Board members reviewed the list of equipment the Petitioner gave them and it was noted that some of the items were actually supplies and not taxable personal property and some of the items, such as the furnace and hot water heater would be included in the building improvement value. Chairman O'Brien asked Mr. Barker if he knew what it would cost to replace the equipment assuming that he would buy used equipment. Mr. Barker stated that he felt sure it would not be more than \$5,000 and that of the \$25,000, \$20,000 was for purchasing the on-going business.

Following further discussion, Assistant Chief Deputy Assessor Sokol stated that, based on Mr. Barker's testimony, he would recommend that the assessed value of subject personal property be reduced to \$4,148 for the 99/00 roll. He noted that if the Board accepts this recommendation, the Assessor will also need to adjust the 98/99 assessment, since the two years were billed at the same time.

The Chairman closed the hearing.

Based on the FINDINGS that the personal property declaration was erroneously completed by the Petitioner and more accurate information has now been submitted concerning the value of subject personal property, on motion by Member Fox, seconded by Member Nadel, which motion carried on a 4 to 1 vote with Member McCormick being absent, it was ordered that the taxable value of personal property on I.D. No. 2/210-120 be reduced to \$4,148 for both the 98/99 and 99/00 tax years. The Board found that the new value is the correct value and that it does not exceed full cash value.

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MINUTES

On motion by Member Fox, seconded by Member Obester, which motion duly carried, it was ordered that Chairman O'Brien be authorized to approve the minutes that have not yet been prepared, subject to all members receiving copies and making any necessary comments to the Chairman by March 15, 2000.

PUBLIC COMMENTS

There was no response to the call for public comments.

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On behalf of the Board, Chairman O'Brien expressed their gratitude and commended staff for doing a very professional job.

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2:25 p.m. There being no further hearings or business to come before the Board, the Board adjourned sine die.

JAMES O'BRIEN, Chairman
Washoe County Board of Equalization

ATTEST: AMY HARVEY, County Clerk